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PART A

GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

DEPARTMENT OF SOCIAL DEVELOPMENT

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2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa	NDSD	National Department of Social Development
AO	Accounting Officer	TR	Treasury Regulations
AIDS	Acquired Immunodeficiency Syndrome	NGO	Non-Governmental Organization
BBBEE	Broad Based Black Economic Empowerment	NISIS	National Integrated Social Information System
CBO	Community-Based Organization	NLC	National Lottery Commission
CBP	Community-Based Planning	NPO	Non-Profit Organization
CDP	Community Development Practitioner	NQF	National Qualification Framework
CFO	Chief Financial Officer	NYDA	National Youth Development Agency
CNDC	Community Nutrition and Development Centres	NYSP	National Youth Service Programme
CYCW	Child and Youth Care Workers	OHSA	Occupational Health & Safety Act
CYCC	Child and Youth Care Centre	OSD	Occupational Specific Dispensation
DESTEA	Department of Economic, Small Business Development, Tourism and Environmental Affairs	OVC	Orphans and Vulnerable Children
DITC	Departmental Information Technology Committee	PFMA	Public Finance Management Act
DPSA	Department of Public Service and Administration	PILIR	Policy & Procedure on Incapacity Leave & ill-Health Retirement
ECD	Early Childhood Development	PHSDSBC	Public Health & Social Development Sector Bargaining Council
EPWP	Expanded Public Works Programme	PMDS	Performance Management Development System
EXCO	Executive Committee	PROPAC	Provincial Public Accounts Committee
FBO	Faith-Based Organization	PSC	Public Service Commission
FSGDS	Free State Growth and Development Strategy	PSR	Public Service Regulations
HCBC	Home/Community-Based Care	SARS	South African Revenue Services
HOD	Head of Department	SASSA	South African Social Security Agency
HWSETA	Health	SCM	Supply Chain Management
IGR	Inter-Governmental Relations	SDIP	Service Delivery Improvement Plan
ICROP	Integrated Community Registration and Outreach Programme	SEDA	Small Enterprise Development Agency
ILO	International Labour Organization	SMME	Small Medium and Micro Enterprises
KCM	Key Control Matrix	VAWC	Violence Against Women and Children
KPI	Key Performance Indicator		
M&E	Monitoring & Evaluation		
MDG	Millennium Developmental Goals		
MEC	Member of Executive Council		
MOA	Memorandum of Agreement		
MPAT	Management Performance Assessment Tool		
MTEF	Medium Term Expenditure Framework		
MTSF	Medium-Term Strategic Framework		
NAWONGO	National Association of Welfare Organisations and Non-Governmental Organizations		
NDA	National Development Agency		
NDP	National Development Plan		

3. FOREWORD BY THE MINISTER/MEC

At the start of the financial year under review, we had set ourselves targets with attended indicators to be able to measure whether we were fulfilling our mandate or falling short, as the Department of Social Development. Then, we were still in the grip of COVID-19, depending on the trajectory of the pandemic, the levels of vaccination and the available capacity within the health sector.



These Alert Levels ranged along levels 5, 4 & 3 largely. Realizing that the advent of the pandemic is a societal phenomenon with its own social impacts, it was therefore going to be always important to identify and address any such social impacts of the pandemic.

Hardships had escalated to unprecedented levels with thousands of our people losing jobs. In turn, job losses had come with a myriad of social challenges such as increased poverty, hunger and homelessness. The responsibility to ensure the protection of the rights of vulnerable individuals, groups, children, older persons and people with disabilities had become bigger and near overwhelming. We did not keep our heads down but worked on reviewed targets, as demonstrated by this Annual Report.

Reprioritization and adjustments to the budget became necessary to enable us to respond to the new demands for our services such as for food, psycho-social services, and to re-consider how we would provide income support to the millions of the destitute of the province. We therefore revised our MTEF targets from our original ones, with new targets to respond directly to the effects and impacts of COVID-19.

We needed to reflect on the unfolding challenges experienced in carrying out our plans, and the mechanisms to address these over the planning period. All plans such as the Annual Performance Plan (APP) 2021/2022 had to also ensure that resources were re-directed to the areas of most need—where particular challenges such as hunger or interruption to income were likely to be most strongly felt.

While the COVID-19 pandemic has negatively impacted our service delivery environment, there are major lessons we have drawn as the Department of Social Development, administratively. During 13-14 March 2022, we went into a Strategic Lekgotla to reflect on our performance challenges, as the financial year was concluding.

It had not been lost to us that we needed to come up with strategies that would address our internal and external capacity challenges. Furthermore, the Department had embarked on the review of its organizational structure as a means to create a purpose built structure that will improve organizational effectiveness and improve service delivery. This task is nearing completion.

We reviewed our organisational environment, in line with the challenges and demands. Accordingly, every aspect of the Department that had not worked for us in the past year and needed strengthening was given attention.

The Lekgotla resulted in the development of a 10 Point Plan with measurable interventions which will be our loadstar into the future. These range from reflecting on matters ranging from audit issues, staff shortages where critical and our relationships with organisations we fund; thus dealing honestly with the challenges facing the Department.

We would re-prioritize services funded to improve the impact of NPOs in communities by amongst others,

- Reviewing funding arrangements for the 2022/23 to ensure funding is in line with departmental priorities and Constitutional Mandate.
- Improve compliance and impact of service delivery by NPO's through capacity building and innovative support interventions.

We would work towards Clean Administration by amongst others,

- Coordinating integrated monitoring and reporting to improve accountability and value for money, as well as by,
- Establishing Institutional arrangements for the implementation of Anti-Corruption Strategy

Fight against Gender Based Violence and Femicide (GBVF) and Social Behaviour by amongst others,

- Organizing mass advocacy campaigns throughout the province

Integrated planning and implementation of programmes (Breaking the silo mentality), by amongst others,

- Developing and implementing an action plan to improve joint planning and implementation.

Integrating Monitoring and Evaluation forum, by amongst others,

- Establishing an integrated Monitoring and Evaluation forum constituted by representatives of all programmes,
- Developing a Monitoring plan for all departmental plans, and
- Developing and monitoring an early warning system on challenges hampering service delivery and implementation of projects.

In conclusion, I would like to express my special thanks and gratitude to the Acting Head of Department, Senior and Middle Management who gave an unwavering support to the achievements of the past year by the Department of Social Development.

We remain appreciative to the collective support of various structures both statutory and non-statutory. Ranging from our Provincial Executive Council, the Portfolio Committee, AGSA and various civic formations that have helped us strike a healthy balance between developing an environment of reduced levels of poverty, inequality, vulnerability and social ills on the one hand and building empowered, resilient individuals, families and sustainable communities on the other.

Without their support, we would not be able to meet the social development needs and aspirations of our people. Our Annual Performance Report therefore reflects the most modest account of our achievements and challenges as the Department of Social Development, for the 2021/2022 Financial Year.

It therefore gives me great pleasure to sign off the 2021/2022 Annual Report of the Department of Social Development.

I thank you.



Ms. MG Qabathe

MEC of the Department of Social Development

Date: 31 August 2022

4. REPORT OF THE ACCOUNTING OFFICER

Overview of the operations of the department:

The increasing costs of delivering services are higher than the average inflation rate; in this way, the budget of the Department is generally negatively affected. The Department is therefore compelled to scale down and defer non-critical projects/programmes and reprioritize funds towards high impact services. One of the ways is to review and streamline the services of funded NPOs.

Despite the challenges, the Department still endeavours to respond to national and provincial key priorities: 2019-2024 MTSF targets, State of the Nation Address and State of the Province Address of February 2022.



Social Development is the lead Department for implementation of Government Key Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services, with the following planned MTSF Sector outcomes:

- Reduced levels of poverty, inequality, vulnerability & social ills
- Empowered, resilient individuals, families and sustainable communities
- Functional, efficient and integrated sector

Equally so, the Department also contributes to the achievement of all the 7 Key Priorities of Government.

The following achievements can be reported for financial year under review:

- Department finalised the reviewing of organizational structure. The structure is reconfigured in a manner to enable the department to deliver on its statutory and compliance mandates and also enhance the capacity of the department to respond to new challenges that our environment presents.
- Maintained 92 Social Workers that were taken in response to COVID-19 over the MTEF period.
- Upgraded salaries of 216 former Masupatsela Pioneers from Salary Level 2 to Salary Level 3 from the 1st of June 2021. We have resolved a legacy challenge that dragged since 2011. Twenty-seven (27) were trained as Security Officers and are now qualified and placed in various departmental facilities.

Overview of the financial results of the department:

Departmental receipts

Departmental receipts	2021/2022			2020/2021		
	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
Tax Receipts						
Casino taxes						
Horse racing taxes						
Liquor licences						
Motor vehicle licences						
Sale of goods and services other than capital assets	1 049	856	193	1 078	1 002	76
Transfers received						
Fines, penalties and forfeits						
Interest, dividends and rent on land	28		28	27		27
Sale of capital assets						

Departmental receipts	2021/2022			2020/2021		
	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
Financial transactions in assets and liabilities	531	665	(134)	209	129	80
Total	1 608	1 521	87	1 314	1 131	183

Own revenue generated by the Department amounts to 95 percent of the estimated collection.

The main sources of revenue for the Department are:

- Collection of debts owing to the Department
- Commission on insurance and garnishee order deductions
- Parking fees as per Department of Transport and Public Works Parking Policy
- Recovery of previous years expenditure

The under collection for sale of goods and services is due to delay in participating in the new RT15 2021 Communication Contract which affected the upgrading of cell phones. No sales of old devices took place. The estimate will be reviewed for the new financial year.

A description of the reasons for unauthorised, fruitless, and wasteful expenditure and the amounts involved as well as steps taken to address and prevent a recurrence.

Programme Expenditure

Programme Name	2021/2022			2020/2021		
	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	332 072	331 960	112	325 401	325 384	17
Social Welfare Services	244 231	244 120	111	255 268	254 769	499
Children and Families	610 270	585 444	24 826	583 747	535 315	48 432
Restorative Services	198 534	197 921	613	178 955	177 939	1 016
Development and Research	148 632	148 525	107	176 918	176 012	906
Total	1 533 739	1 507 970	25 769	1 520 289	1 469 419	50 870

Programme 1 Administration: On par.

Programme 2 Social Welfare Services: On par.

Programme 3 Children and Families: Under expenditure on the ECD Conditional Grant. A roll over of R9.640 million was requested.

Programme 4 Restorative Services: On par.

Programme 5 Development and Research: On par

Virements/roll overs

Virement 1: Between programmes and economic classifications for the 2021/22 financial year

Programme 1: Administration - The programme had an over expenditure of R11.130 million and the economic classifications Compensation of Employees, Goods and Services, Interest and Rent on Land, Households and Machinery and Equipment overspent.

Programme 2: Social Welfare Services - The programme had an under expenditure of R6.870 million, however the economic classification Households overspent.

Programme 3: Children and Families - The programme underspent with R24.205 million, however the economic classifications Compensation of Employees and Households overspent.

Programme 4: Restorative Services - The programme underspent with R4.482 million, however the economic classifications Compensation of Employees and Households overspent.

Programme 5: Development and Research - The programme underspent with R1.340 million, however the economic classification Compensation of Employees and Households overspent.

To address the above, a virement of funds between programmes and economic classifications was requested, approved and implemented as follows:

FROM:			TO:		
Programme	Economic Classification	R'000	Programme	Economic Classification	R'000
Programme 1	Departmental Agencies and Accounts	-30	Programme 1	Compensation of Employees	1 127
	Non-Profit Institutions	-5 200		Goods and Services	4 684
				Interest and Rent on Land	5 200
				Households	231
				Machinery and Equipment	5 230
Total Programme 1		-5 230			16 472
Programme 2	Compensation of Employees	-1 247	Programme 2	Households	318
	Goods and Services	-5 183			
	Non-Profit Institutions	-236			
	Machinery and Equipment	-413			
Total Programme 2		-7 079			318
Programme 3	Goods and Services	-396	Programme 3	Compensation of Employees	437
	Buildings and other fixed structures	-42			
	Machinery and Equipment	-60		Households	682
Total Programme 3		-498			1 119
Programme 4	Goods and Services	-7 148	Programme 4:	Compensation of Employees	3 194
	Non-Profit Institutions	-176		Households	450
	Machinery and Equipment	-189			
Total Programme 4		-7 513			3 644
Programme 5	Goods and Services	-1 597	Programme 5:	Compensation of Employees	1 401
	Non-Profit Institutions	-1 283		Households	516
	Machinery and Equipment	-270			
Total Programme 5		-3 150			1 917
Total Department		-23 470			23 470

Roll overs**ECD Conditional Grant**

The final adjusted allocation for the ECD Conditional Grant amounted to R111.571 million of which 77.4 per cent (R86.384 million) was spent at the end of the financial year. The unspent surplus amounts to R25.187 million.

ECD Stimulus Relief Fund (ECD-ESRF)

During 2020 the President announced the introduction of the ECD Stimulus Relief Package. Implementation of this program was slow as the funds were only allocated late in the financial year.

The ECD Stimulus Relief Fund had an allocated budget of R35.617 million. R17.359 million was spent. The unspent surplus amount to R18.258 million.

This project was managed entirely by National Department of Social Development (NDSD). ECD'S were paid via batches sent to Provinces. Numerous challenges were experienced. A rollover of R24.915 million from the 2020/21 financial year to the 2021/22 financial year was requested and approved December 2021. An additional allocation of R10.702 million was received with the Adjustment Budget in December 2021.

The province received a total of 24 batches. There was a time lapse of 3 months between batch no 20 and 21 because of challenges with the service provider appointed by National DSD.

According to the National Department of Social Development, the value of ECD Services that have not yet been successfully verified and included in a batch amount to R9.640 million, for which a roll over was requested.

Unauthorised Expenditure

- The Department does not have any unauthorised expenditure.

Irregular Expenditure

- An additional Irregular Expenditure amounting to 16,986 million was added in the 2021/22 financial year mainly as a result of non-compliance with SCM regulations. An amount of R5.578 million was removed after the investigations were completed. The closing balance of Irregular Expenditure is R119.573 million.

Fruitless and Wasteful Expenditure

- An additional Fruitless and Wasteful expenditure of R12.279 million was added in the 2021/22 financial year. The R10.736 million relates to the ENGO interest that was paid on the outstanding debt. The closing balance of fruitless and wasteful expenditure is R36.163 million.

Public Private Partnerships

- The Department does not have any public private partnerships.

Supply Chain Management

There were no unsolicited bid proposals concluded for the year under review.

- Systems such as checklists, delegations, workshops are in place to ensure prevention of irregular expenditure.
- All vacant SCM posts were advertised but only five were filled this year. The rest will be filled when funds are available.
- The National Treasury Advisory Note on Preferential Procurement Policy Framework Act (PPPRFA) is adhered to and exemptions are requested as and when required.

Exemptions and deviations received from the National Treasury

- The exemption on Preferential Procurement Policy Framework Act (PPPRFA) was granted from 30 March 2022 until:
 - (a) New Preferential Procurement regulations take effect; or
 - (b) The Constitutional Court confirms the suspension of the order of invalidity of the Preferential Procurement Regulations, 2017, for a period of 12 months, whichever occurs first.

Gifts and Donations made to related or non-related parties

Name of Organisation	Nature of Gift	Amount R'000
Funded Non-Profit Institutions	Assets donated	653

Gifts and Donations received in kind from non-related parties

Name of Organisation	Nature of Gift	Amount R'000
Nurture Care Group	Wheelchairs and medical beds	60
N Mahoko	Clothes and rechargeable lights	7

Events after the reporting date**1. ECD MIGRATION:**

- 1.1 During the state of the Nation Address (SONA) in February 2019, the President announced that the country would proceed towards two years of compulsory schooling for all children before they enter Grade 1. The President also reiterated that the responsibility of Early Childhood Development (ECD) would be migrated from the Department of Social Development to the Department of Basic Education with effect from 1 April 2022.
- 1.2 The President of the Republic of South Africa signed a proclamation that was published on 30 June 2021 regarding the transfer of administration, powers and functions relating to Early Childhood Development Centers. A Memorandum of Understanding between the two departments was concluded to ensure the implementation of the proclamation by the President.
- 1.3 The Premier of the Free State signed and published a proclamation of the province for the transfer of powers, functions, and administration of Early Childhood Development Centers from the MEC of the Department of Social Development to the MEC of the Department of Education Free State.
- 1.4 The Budget of the department was reduced by R841.775 million over the MTEF as a result of the migration of Early Childhood Development (ECD) from DSD to DBE with effect from 01 April 2022. This consists of R281.119 million for 2022/23 and R280.328 million for each of the two outer years for earmarked funding and equitable share. The conditional grant allocation related to the function has also been excluded from the allocation.
- 1.5 All the relevant staff and their assets have been transferred to DBE with effect from 01 April 2022.

2. SANITARY TOWEL PROJECT

- 2.1 The project was transferred to DESTEA with effect from 01/04/2022. The R2 Million Sanitary Towel Allocation (R6 million over MTEF) was removed from our baseline and re-allocated to the budget of the Department of Economic, Small Business Development, Tourism and Environmental Affairs. (DESTEA). The total expenditure on the project since inception is R14.281 million. Included in this amount is R3.1 million of assets.

Financial Sustainability

Although the Department had a positive bank balance of R23,222 million on 31 March 2022, funds still to be surrendered exceed this amount by R2,547 million. This will be covered in the 2022/23 budget. Furthermore, accruals and payables of R7,372 million will decrease the 2022/23 budget available for spending. An amount of R9,640 million has been requested as a rollover, and the additional funds will be available during the Adjustment budget if approved.

The outstanding amount of R91,647 million, interest payable of R135 thousand is not affordable as only R30 million is budgeted for in the 2022/2023 financial year. The extent of the accruals and payables may create a material uncertainty in the Department's ability to meet its financial obligations as they fall due, and on the achievement of key service delivery projects as outlined in the Department's annual performance plan.

Acknowledgement/s and Appreciation

I wish to convey our deepest appreciation to the Portfolio Committee on Education, Health and Social Services, PROPAC, the AGSA, the Audit Committee, the Risk Committee, Treasury, the National Department of Social Development (NDSD) and other Departments for their continued support and guidance. In the same breath, I acknowledge communities and faith based organisations, civil society at large, our partners, and all individuals and groups for their valuable contribution in assisting our Department to carry out its mandate.

I salute our MEC, Honourable MG Qabathe (MPL) for affording us her critical thinking and thought leadership during these trying times. It is through her servant leadership that we are now able to take joint ownership of our vision and share the burden and joys of transforming the Department and our society.

Let me also thank the Management and all Departmental Staff, particularly those working at the coalface of service delivery, for their persistent commitment and devotion to serving the communities of the Free State during these difficult times. Ours is to serve the poor, the marginalised and the destitute.... and we dare not fail.



Adv. T.J. Phahlo

Accounting Officer

Department of Social Development

Date: 31 August 2022

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

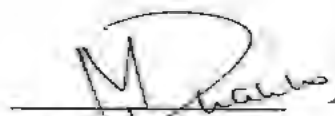
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2022.

Yours faithfully


Adv. T.J. Phahlo

Accounting Officer

Date: 31 August 2022

6. STRATEGIC OVERVIEW

6.1 Vision

A Caring and Self-reliant Society.

6.2 Mission

Provision of integrated, comprehensive and sustainable social development services.

6.3 Values

The values of the Social Development Sector are:

- **Accountability** – taking ownership for decisions and actions and accepting the consequences that come with them
- **Caring** – showing sympathy and concern; embodying heart for all stakeholders and beneficiaries
- **Equality and equity** – treating everyone fairly and equally
- **Human dignity** – respecting everyone's human rights
- **Respect** – showing due regard for the rights and obligations of others.

7. LEGISLATIVE AND OTHER MANDATES

The Department of Social Development derives its mandate from several pieces of legislation and policies, including the White Paper for Social Welfare (1997) and the Population Policy (1998). The constitutional mandate of the department is to provide sector-wide national leadership in social development.

Based on its mandate, the Department of Social Development develops and implements programmes for the eradication of poverty, social protection and social development among the poorest of the poor, and the most vulnerable and marginalised. The department effectively implements this through its partnerships with its primary customers/clients and all those sharing its vision.

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

The Act provides for a national advisory structure, on Social Development, in the social development sector aimed at building and consolidating partnership between government and civil society.

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

The Act requires the department to adhere to the regulations governing the right to fair labour practices by enforcing basic conditions of employment.

Children's Act, 2005 (Act No. 38 of 2005 as amended)

The Act requires the department to provide services to children in need of care and protection.

Child Justice Act, 2008 (Act No. 75 of 2008)

The Act requires the department to implement diversion programmes in relation to arrest, assessment, detention, trial and sentencing of children.

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

When establishing cooperatives, the department is required to adhere to the provisions of the Act regarding the development of the cooperative movement in the country to reduce the scourge of unemployment.

Division of Revenue Act, 2008

The department is required to adhere to the provisions of the act pertaining to division of revenue and the responsibilities set out for provincial government.

Domestic Violence Act, 1998 (Act No. 166 of 1998)

The Act provides the requirements for the department to implement programmes to protect of victims of domestic violence. Monitor and care for the victims and survivors of crime.

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

The Act requires the department to adhere to the provisions of the act that promotes equal opportunity and fair treatment by eliminating discrimination and implements affirmative action to redress imbalances of the past.

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

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

National Development Agency Act, 1998 (Act No. 108 of 1998)

The Act provides the department with guidelines regarding national funding and capacity building for programmes aimed at meeting the developmental needs of poor communities.

National Welfare Act, 1978 (Act No. 100 of 1978)

The Act requires the department to facilitate the registration of welfare organisations on a regional basis.

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

The Act provides the department with an administrative and regulatory framework within which non-profit organisations should conduct their affairs.

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

The Act requires to department to adhere to the regulations pertaining to a safe and a healthy working environment.

Older Persons Act, 2006 (Act No. 13 of 2006)

The Act represents a new development approach to ageing and requires the department to maintain and promote the status of older persons, by promoting the rights, well-being, safety and security of older persons as recipients of services.

Preferential Procurement Policy Framework Act, 2000

The department is required to adhere to the regulatory framework for the implementation of the procurement policy contemplated in section 217 (2) of the Constitution of South Africa.

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

The Act requires the department to adhere to the provisions related to the establishment of Central Drug Authority and the establishment of programmes for the prevention and treatment of drug dependency as it pertains to their functions.

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

The Act provides the legal mandate for the department to establish and implement programmes aimed at combating crime, treatment to persons involved in crime and assistance to victims of crime.

Probation Services Amendment, 2002 (Act No.35 of 2002)

The Act requires the department to undertake mandatory assessment of arrested children and for the duties of Assistant Probation Officers.

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

The department is required to adhere to the provisions of the Act that 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 department is required to adhere to the provisions of Act, which provides for the protection of employees who disclose information regarding unlawful or irregular conduct.

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

The department is required to adhere to all the regulations regarding financial management and responsibilities entrusted different officials working in the public service.

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

The Act provides guidance regarding the development of skills to the South African workforce and these also pertain the human resource development initiatives of the department.

Skills Development Levies Act, 1999

The department is required to contribute to the skills development levy as dictated by the act.

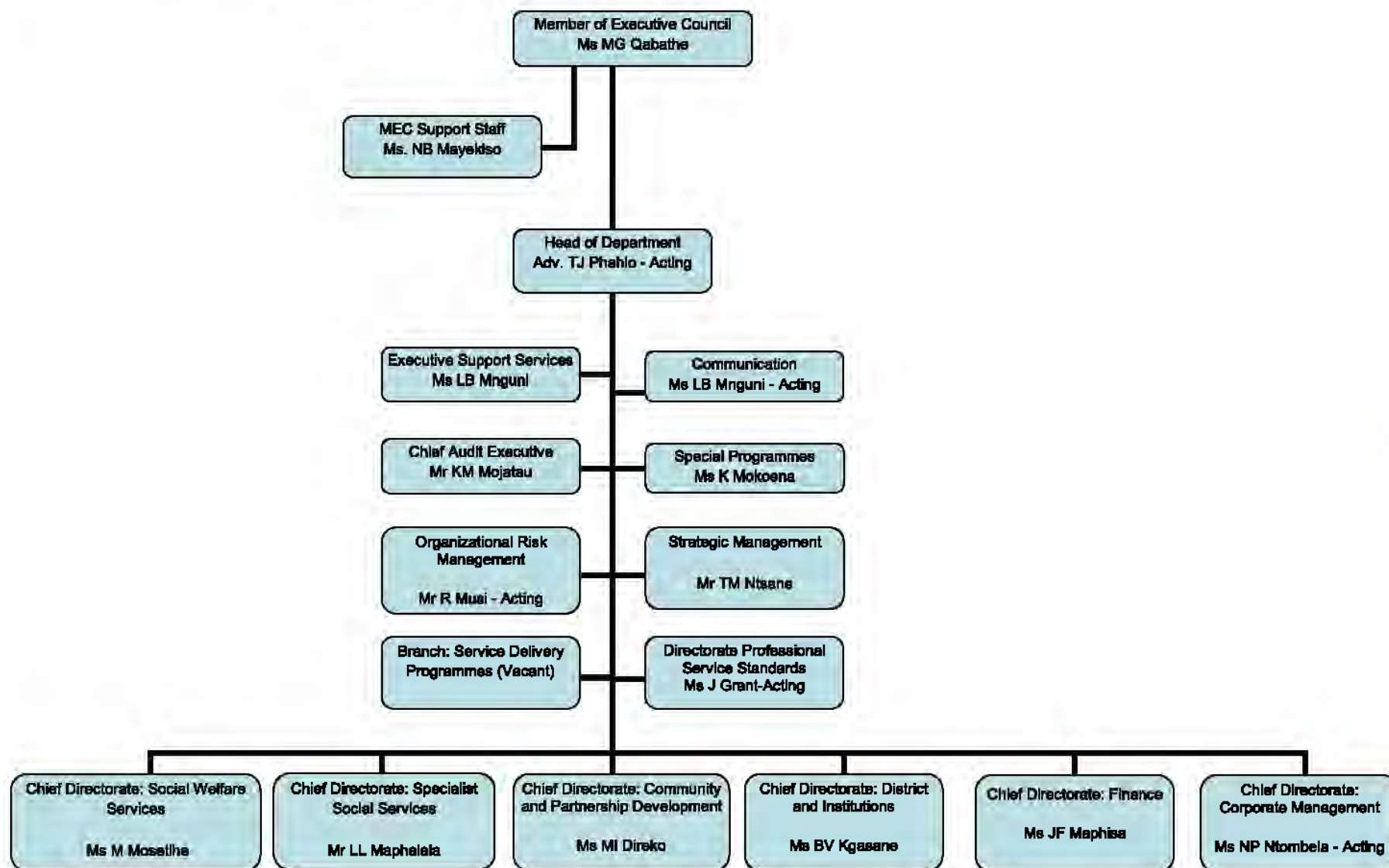
Social Assistance, 2004 (Act No. 13 of 2004)

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.

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

The Act provides for the establishment of the South Africa Council for Social Work that also govern the operations of Social Workers within the department.

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

The table below indicates the entities that report to the MEC.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
None			



PART B

PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain 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.

Refer to page 103 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The challenge is that the fiscal resources required to bring further interventions keep on shrinking. This has a negative impact on the Department's capacity to implement policies, reduce poverty and create employment opportunities in our country at the desired rate.

Department needs to use a social policy approach that facilitates and promotes the development and implementation of evidence-based policies that take social challenges into consideration. This will ensure that the plans and programmes of the sector are strategically targeted and underpinned by robust evidence, which will improve the sector's chances of successful implementation of such policies, plans and programmes. To this end, the Department thus needs to strengthen its research capacity.

The department has embarked on an organisational restructuring process and it is anticipated that the new structure will be implemented in the 2022/23 financial year. The department acknowledges the introduction of new technologies and the new normal work environment experienced because of the COVID-19 pandemic, therefore, there is a need to transform its ITC systems.

2.2 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 and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Improve management of funding monitoring and evaluation for NPO's	Funded organisations.	Quantity	Improve management of funding monitoring and evaluation for NPO's	Funded organisations.

Batho Pele arrangements with beneficiaries (Consultation access, etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Workshop, personal consultations and community meetings	Conduct consultative sessions and road shows with NPO formations to discuss: - Needs and to prioritise services - Services provided and how they are provided. - NPO officials conduct frequent visits to NPOs and are available for consultation in offices. - (Quarterly visits to the districts through Quality Assurance).	Training was conducted Interventions needed * Provision of NPO Act * Financial Management * Resource Mobilisation * Conflict Management * Governance * MOA

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Funding requirements	Road show for information sharing and conduct consultative sessions with NPOs by the end of June NPO Compliance	NPO compliance roadshow regarding the NPO act. Implement M&E self-assessment tools

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Management of complaints and compliments policy approved	Display Service Delivery Charter in all offices	Approved service delivery charter are displayed in all offices Suggestion/complaints/compliments boxes have been installed in all frontline offices

2.3 Organisational environment

As at the end of 2021/22 financial year, the Department of Social Development employs 2 189 (Including 165 staff on Internship and Learnership programmes) staff members appointed on a permanent, contract and temporary.

During the financial year, the department prioritised the recruitment of lower level/operational staff at the newly-established Charlotte Maxeke Treatment Centre, which was officially launched by His Excellency President Cyril Ramaphosa on 27 April 2021.

It also needs to be reported that the compensation budget was reduced with R101 million during the financial year. As a result, this impacted on the filling of limited posts in Supply Chain Management and Social Services Professionals.

The challenge facing human resources matters is to avert over-expenditure on compensation of employees by means of stringent monitoring of all appointments through regular PERSAL functionality requests to the Provincial Treasury, costed Annual Recruitment plan.

In order to deal with limited compensation budget, some staff were transferred from less critical areas to the critical areas.

Gender representativity on senior management level comprise of 55% Women vs 45% Males.

During the financial year, four SMS posts were advertised and have not been filled as at the end of financial year, namely:

- Head of Department,
- Chief Director Specialist Social Services
- Director Supply Chain Management, and
- Director NPO Institutional Capacity Building and Support.

The department received R12 million allocation for the recruitment of 200 unemployed Social Worker graduates. This allocation was utilized to pay the stipends for 92 COVID-19 Social Workers who were retained during Phase 1, as well as additional 81 Social Workers who expressed interest and accepted offers of 4-month contract employment.

The department extended the contract appointments of 7 social workers under the Victim Empowerment Programme for a period of three years, on earmarked funding.

2.4 Key policy developments and legislative changes

There are no changes to key policies and legislative mandates during the period under review.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

MTSF Priority			
Outcome	Outcome Indicator	Baseline	Five year target
Reduced levels of poverty, inequality, vulnerability and social ills	1.1. Percentage of people accessing developmental social welfare services	50%	100%
	1.2. Percentage of individuals benefiting from poverty reduction interventions / initiatives.	50%	80%
	1.3. Prevalence rate of Gender based Violence	60%	100%
Empowered, resilient individuals, families and sustainable communities	2.1 Percentage of individuals receiving protection, prevention, early intervention and statutory services	60%	100%
	2.2 Percentage of all sectors of government integrating population factors in their plan	50%	100%
	2.3 Integrated planning, implementation design and monitoring of strategies applied	0%	100%
Functional, efficient and integrated sector	1.1. Clean Audit Opinion	Qualified	Unqualified Audit Opinion
	1.2. Social Development Sector service delivery coordination forums established	Multiple forums without relevant representation	An approved integrated service delivery model Integrated sector reports
	1.3. Functional structures for engagement between the Department and NPO's (forums)	0	100%

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

Purpose: To provide administrative support to core business programmes, namely Social Welfare and Community Development

List of Sub-Programmes:

- Office of the MEC
- Corporate Services Management
- District Management Services

Institutional outcomes that each programme contributes towards according to the Annual Performance Plan:

- Outcome 3: Functional, Efficient and Integrated Sector

Programme / Sub-programme: Corporate Service Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Functional, Efficient and Integrated Sector	Fraud Prevention Policy Implemented (Fighting corruption)	Number of risk management and fraud prevention awareness workshop conducted.	12	20	12	13	1	Additional workshop was conducted for new employees on request.
	Financial Management Policy implemented.	Number of Workshops on prevention of Irregular, Fruitless and Wasteful expenditure conducted.	-	4	4	4	-	-
	Compliance	Percentage of valid invoices paid within 30 days.	100%	100%	100%	99%	-1%	Payment returned from the bank due to inactive Banking Details and it was later re-issued. BAS and LOGIS did not interface hence payments could not be disbursed on time.

Programme / Sub-programme: Corporate Service Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
	Provision of psychosocial support services relating to COVID-19	Number of employees who received psychosocial support services related to COVID-19.	-	2 056	50	235	185	Increased COVID-19 positive cases and contacts resulted in more services provided.
	Strengthening the workforce	Number of Service Professionals appointed.	-	-	20	27	7	Additional appointments was for contract workers who were appointed permanent.
	Promotion of Professional Service Standard	Number of comprehensive assessments conducted by social workers.	-	-	250	310	60	More cases were recorded in the central casework register.
		Number of written supervision contracts between social work supervisors and supervisees signed.	-	-	450	465	15	Contract signed for all supervisees.

4.2 Programme 2: Social Welfare Services

Purpose: To provide integrated developmental social welfare services to the poor and vulnerable in partnership with stakeholders and civil society organizations

List of Sub-programmes:

- Management and Support
- Services to Older Persons
- Persons with disabilities
- HIV and AIDS
- Social Relief

Institutional outcomes that each programme contributes towards according to the Annual Performance Plan:

- Outcome 1: Reduced levels of poverty, inequality, vulnerability and social ills
- Outcome 2: Empowered, resilient individuals, families and sustainable communities
- Outcome 3: Functional, Efficient and Integrated Sector

Programme / Sub-programme: Services to Older Persons								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Reduced levels of poverty, inequality, vulnerability and social-ills.	Provision of residential care and protection services to older persons.	Number of older persons accessing residential facilities	1 517	1 444	1 490	1 546	56	Increased admissions due to reported neglect and abuse of older persons.
		Number of residential facilities for older persons supported.	38	38	38	38	-	-
	Provision of Community based services for older persons.	Number of older persons accessing Community based services.	6 169	827	4 780	3 856	-924	Buildings in Mangaung Metro, Xhariep and Thabo Mofutsanyana were vandalised and others affected by the floods and could not reopen.
		Number of Developmental Programmes implemented in residential facilities.	-	-	6	7	1	Support received from external stakeholders.

Programme / Sub-programme: Services to Persons with Disabilities								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Reduced levels of poverty, inequality, vulnerability and social-ills.	Provision of residential care and protection services to older persons.	Number of persons with disabilities accessing residential facilities.	477	469	566	669	103	Three facilities in Thabo Mofuntsanyana district were added due to need.
Empowered, resilient individuals, families and sustainable communities	Disability mainstreaming	Number of Forums established to implement Disability Empowerment Mainstreaming (DEM)	-	-	5	5	-	-
	Empowerment of persons with disabilities	Number of persons with disabilities	758	446	847	749	-98	Kroondag in Fezile Dabi

Programme / Sub-programme: Services to Persons with Disabilities								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
	disabilities and provision of psychological support services	accessing services in protective workshops.						during the year, 74 persons with disabilities were employed in the EPWP and CWP respectively, 8 passed away in Thabo Mofuntsanyana district. Others did not attend due to comorbidities.

Programme / Sub-programme: HIV and AIDS								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Reduced levels of poverty, inequality, vulnerability and social-ills.	Provision of Prevention, Early Intervention and Psychosocial Support Services	Number of Implementers trained on social and behaviour change programmes	229	200	361	374	13	More implementers were trained as new NPO 's were funded in the last quarter of 2021/22.
Empowered, resilient individuals, families and sustainable communities		Number of beneficiaries reached through Social & Behaviour Change Programmes.	26 191	7 564	10 979	29 767	18 758	There were 8 additional organizations funded in the 4th quarter to render Social and Behaviour Change Programmes.
		Number of beneficiaries receiving Psychosocial Support Services.	7 912	5 500	2 322	7 487	5 165	More people were identified by newly funded organizations and referred for services.

Programme: / Sub-programme: Social Relief								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Reduced levels of poverty,	To provide relief an ease	Number of households	300	-	1 000	840	-160	Output depends on declared

Programme: / Sub-programme: Social Relief								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
inequality, vulnerability and social-ills.	hardship endured.	who benefitted from Social Relief of Distress.						cases of disaster. Assistance was provided to identified clients who were in need.

4.3 Programme 3: Services to Children and Families

Purpose: To provide comprehensive child and family care and support services to communities in partnership with stakeholders and civil society organisations.

List of Sub-programmes:

- Management and Support
- Care and Services to Families
- Child Care and Protection Services
- ECD and Partial Care
- Child and Youth Care Centres
- Community-Based Care Services to Children

List the institutional outcomes that each programme contributes towards according to the Annual Performance Plan:

- Outcome 1: Reduced levels of poverty, inequality, vulnerability and social ills
- Outcome 2: Empowered, resilient individuals, families and sustainable communities

Programme: / Sub-programme: Care and Services to Families								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Empowered, resilient individuals, families and sustainable communities.	Resilient families.	Number of family members participating in family preservation services.	19 975	12 121	10 261	11 754	1 493	Overachievement was mainly due to family conflicts, cases of abuse and custody battles experienced by families particular as families and relationships are under constraint.
		Number of family members	104	105	117	61	56	Reunification is needs based and its success depends on the willingness and

Programme: / Sub-programme: Care and Services to Families								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons deviations for
		reunited with their families.						to participate reunification.
		Number of family members participating in parenting skills programme.	5 113	1 688	3 435	2 756	679	International funding was made available for implementation of Mencare 50:50 parenting programme which focus on men as equal parents in relationships and promote the prevention of GBV & Femicide.

Programme: / Sub-programme: Child Care and Protection Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons deviations for
Reduced levels of poverty, inequality, vulnerability and social ills.	Children in need of Care and Protection placed in foster care.	Number of children placed in foster care.	1 738	628	1 091	1 298	207	Section 125 on Child Protection Register screenings was delegated to the Province contributed to the speedy finalisation of more foster care applications.
		Number of reported cases of child abuse.	-	-	-	1 060	1 060	Reporting based on actual reported cases and services rendered.
		Number of children with valid foster care orders.	-	-	26 955	24 974	-1 981	The expected number of over 18-year-old not attending school did not apply for foster care extension.
		Number of children in foster are reunited with their families.	-	-	47	36	-11	Home circumstances were not suitable for reunification.

Programme: / Sub-programme: ECD and Partial Care								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Empowered, resilient individuals, families and sustainable communities .	Quality ECD services provided.	Number of children with disabilities accessing registered ECD programmes	305	281	100	149	49	Improvement in the identification of children with disabilities accessing ECD programs.
		Number of children subsidized through Equitable Share.	48 685	46 244	48 685	48 550	-135	6 ECD were closed benefiting 135 not subsidised due to non-compliance
		Number of children subsidized through Conditional Grant.	3 821	9 008	10 438	10728	290	Conditional grant was extended to rural and farm areas focusing on non-centre-based programs.
		Number of non-centre based ECD programmes registered.	-	-	1	1	-	-
		Number of children accessing registered ECD programmes.	85 420	-	85 700	74670	-11 030	According to Head Counts as a means of verification the number of children accessing ECD had decreased from the target set resulting from COVID-19 regulations.
		Number of fully registered ECD centres.	-	-	273	174	-99	Full registration is subject to compliance with the norms and standards.
		Number of conditionally registered ECD centres.	-	-	300	1 073	773	Over achievement as result of National Registration drive (Vangasali)
		Number of registered partial care facilities.	-	-	200	45	-155	Registration was interrupted as a result of COVID-19
		Number of children accessing registered partial care facilities.	-	-	742	755	13	13 More children were added in Brandfort due to the need identified.

Programme: / Sub-programme: Child and Youth Care Centre								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Reduced levels of poverty, inequality, vulnerability and social ills.	Children and Youth in need of care and protection receiving services in Child and Youth Care Centres	Number of children and youth in need of care and protection in Child and Youth Care Centres.	1 138	1 119	1 230	1 183	-47	CYCC's are expected to make provision for Crisis admissions hence the deviation.
		Number of children in CYCCs reunified with their families.	-	-	80	151	71	More children admitted due to crises intervention were reunified within 90 days.
		Number of Individual Developmental Plans (IDP) for children in CYCCs reviewed.	-	-	20	125	105	IDP's were done for all children admitted in the Government institutions.

Programme: / Sub-programme: Community Based Care Services for Children								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Reduced levels of poverty, inequality, vulnerability and social ills.	Vulnerable children receive community-based care services from trained Child and Youth Care Workers	Number of children reached through community-based prevention and early intervention programmes.	1 400	-	9 974	16691	6 717	More vulnerable children were reached.
		Number of communities where children could access services.	-	35	35	35	-	-
		Number of Child and Youth Care Workers providing community-based care services	-	408	399	326	-73	Approval was granted for appointment of 368. 31 Resignations, 4 Deaths and abscondments affected the output.

4.4 Programme 4: Restorative Services

Purpose: To provide integrated developmental social crime prevention and anti-substance abuse services to the most vulnerable in partnership with stakeholders and civil society organisations

List of Sub-programme:

- Management and Support
- Crime Prevention and Support
- Victim Empowerment
- Substance Abuse, Prevention and Rehabilitation

List the institutional outcomes that each programme contributes towards according to the Annual Performance Plan:

- Outcome 1: Reduced levels of poverty, inequality, vulnerability and social ills
- Outcome 2: Empowered, resilient individuals, families and sustainable communities

Programme: / Sub-programme: Crime Prevention and Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Reduced levels of poverty, inequality, vulnerability and social ills Empowered, resilient individuals, families and sustainable communities	Implementatio n of diversion programmes.	Number of persons reached through Social Crime Prevention Programmes.	15 521	1 637	3 090	11 598	8 508	More campaigns including popularizing the Anti-Gang Strategy were conducted In Thabo Mofutsanyana there were requests from schools to assist in addressing bullying.
	Implementatio n of Social Crime Prevention Programmes.	Number of persons in conflict with the law who completed diversion programmes.	1 144	100%	405	1 210	805	More cases were referred by Courts and there was greater compliance by Offenders to complete the programme.
		Number of children in conflict with the law who accessed Secure Care Centres.	-	-	40	157	117	Service depends on referrals by Courts

Programme: / Sub-programme: Crime Prevention and Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
		Number of Developmental Programmes implemented at Secure Care Centre.	-	-	5	5	-	-

Programme: / Sub-programme: Victim Empowerment								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Reduced levels of poverty, inequality, vulnerability and social ills Empowered, resilient individuals, families and sustainable communities	Programmes implemented. Access, Prevention and Response Programmes/ Services.	Number of victims of crime and violence accessing support services.	9 162	132%	5 353	9 851	4 498	Demand for services is indicative of increase in GBVF in communities. GBVF Social Workers also work in Police Stations
		Number of human trafficking victims who accessed social services.	12	100%	27	7	-20	Service is provided as per reported number of cases. 100% of reported cases were attended. Department conducted awareness campaign during 3rd and 4th Quarter to address low reporting of cases
		Number of victims of Gender Based Violence Femicide and Crime (GBVF) who accessed sheltering services.	-	-	149	237	88	The service is demand driven

Programme: / Sub-programme: Victim Empowerment								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
		Number of beneficiaries reached through Gender Based Violence Prevention Programmes.	-	-	9 230	22 183	12 953	Orange Day Campaigns were introduced to deal with GBVF and Human Trafficking

Programme: / Sub-programme: Substance Abuse, Prevention and Rehabilitation								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Empowered, resilient individuals, families and sustainable communities	Implementation of Substance Use Disorder Prevention Programme.	Number of people reached through Substance Abuse Prevention Programmes.	41 751	18 356	34 451	50 462	16 011	Successful activities were conducted as part of the Festive Season - Anti Substance Abuse Campaign
	Provision of rehabilitation services.	Number of Service Users who accessed Substance Use Disorder (SUD) treatment services.	526	864	562	1 355	793	High demand of service in Lejweleputswa and extension of service in Parys as per demand.
		Number of Service Users who accessed Substance Use Disorder Re-integration and After Care Services.	230	58	301	377	76	More service users who completed treatment were provided with After Care and support

4.5 Programme 5: Development and Research

Purpose: To render developmental social welfare services to vulnerable people and groups in collaboration with partners to reduce their vulnerabilities and promote community empowerment.

List of Sub-programmes:

- Management and Support
- Community Mobilisation
- Institutional Capacity and Support for NPOs
- Poverty Alleviation and Sustainable Livelihoods
- Community-Based Research and Planning
- Youth Development
- Women Development
- Population Policy Promotion

List the institutional outcomes that each programme contributes towards according to the Annual Performance Plan:

- Outcome 1: Reduced levels of poverty, inequality, vulnerability and social ills
- Outcome 2: Empowered, resilient individuals, families and sustainable communities
- Outcome 3: Functional, Efficient and Integrated Sector

Programme: / Sub-programme: Community Mobilisation								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Empowered, resilient individuals, families and sustainable communities .	Community mobilised	Number of people reached through community mobilisation programmes.	4 827	-	1 860	2 986	1 126	Most outreach programmes were oversubscribed as a result of the eased COVID 19 Regulations

Programme: / Sub-programme: Institutional Capacity Building and Support for NPOs								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Functional, efficient and integrated sector.	NPOs capacitated and supported	Number of NPOs capacitated.	3 439	977	1 198	2 400	1 202	Over achieved due to Deputy Minister's Capacity Building Drive for Faith Based Organisations in Bloemfontein

Programme: / Sub-programme: Institutional Capacity Building and Support for NPOs								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
	Structures established.	Number of funded NPOs monitored for compliance	-	-	-	-	-	
		Number of integrated and coordinated NPO Forums established.	-	1	4	3	-1	Postponement of stakeholders in Mangaung Metro District necessitated the postponement of the establishment of the forum.

Programme: / Sub-programme: Poverty Alleviation and Sustainable Livelihoods								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Reduced levels of poverty, inequality, vulnerability and social ills.	CNDCs supported.	Number of people benefitting from poverty reduction initiatives.	614	-	675	1 621	946	The ever-increasing unemployment rate contributes in the increase on the number of people identified and linked to the department.
		Number of households accessing food through DSD food security programmes.	4 259	-	204	7 332	7 128	The additional Equitable Share Allocation from National DSD assisted the department in extending its footprint by distributing food parcels to households left destitute by COVID 19 and the floods in the Province.
		Number of people accessing food through DSD feed programmes (centre-based)	6 515	7 814	19 548	26 262	6 714	The additional Equitable Share Allocation from National DSD assisted the department in extending its footprint by distributing food parcels to households left destitute by

Programme: / Sub-programme: Poverty Alleviation and Sustainable Livelihoods								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
								floods in the Province.
	Vulnerable individual and households linked to community development initiatives.	Number of cooperatives linked to economic opportunities	-	-	18	30	12	More organisations approached the department for support & assistance.

Programme: / Sub-programme: Community Based Research and Research and Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Functional, efficient and integrated sector.	Community Based Research and Planning.	Number of households profiled.	6 100	981	2 500	2 464	-36	Weather conditions were not favourable in Xhariep, Lejweleputswa, Mangaung & Thabo Mofutsanyana, thus necessitating postponements and eventual cancellations
		Number of Community Based Plans developed.	18	5	8	10	2	Additional Community Based Plan (CBP) was developed for Marquard as part of the processes for establishment of One Stop Service.
		Number of Communities profiled.	-	15	60	54	-6	Reported Disasters negatively impacted some of the planned activities.

Programme: / Sub-programme: Youth Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Empowered, resilient individuals, families and	Youth Development Programmes provided.	Number of youth development structures supported.	54	8	36	71	35	More Young people organised themselves and approached the

Programme: / Sub-programme: Youth Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Sustainable communities								Departmental assistance and support as an after effect of the COVID-19 Pandemic.
		Number of youth participating in skills development programmes	1 291	281	580	563	272	Continued participation of people yielded in additional numbers being reached.
		Number of youth participating in youth mobilization programmes	8 629	-	7 100	1 393	200	Continued participation of people yielded in additional numbers being reached.

Programme: / Sub-programme: Women Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Empowered, resilient individuals, families and sustainable communities	Women supported through skills and funding	Number of women participating in empowerment programmes.	3 521	-	771	892	121	More Women approached the department for assistance and support as an after effect of the COVID 19 Pandemic.
		Number of women empowerment initiatives supported	-	10	6	13	7	More organizations needed support in the form of training.

Programme: / Sub-programme: EPWP								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Reduced levels of poverty, inequality, vulnerability and social-ills.	Work opportunities created.	Number of EPWP work opportunities created.	5 654	5 640	4 783	5 611	828	The 4783 is as per the nationally allocated target. The overachievement is additionally created work

Programme: / Sub-programme: EPWP								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
								opportunities utilizing the incentive grant allocation.

Programme: / Sub-programme: Population Policy Promotion								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Empowered, resilient individuals, families and sustainable communities	Population policy promoted	Number of population capacity development sessions conducted.	4	2	4	4	-	-
		Number of Population Advocacy, Information, Education and Communication (IEC) activities conducted.	7	7	7	7	-	-
		Number of Population Policy Monitoring and Evaluation Reports produced	1	-	1	-	-1	The department changed its focus on Monitoring of the Population Policy to align with the District Development Model (DDM) approach.
		Number of research projects completed	1	1	1	1	-	-
		Number of demographic profile projects completed.	5	5	5	5	-	-

Linking performance with budgets**Sub-programme expenditure**

Sub- Programme Name	2021/2022			2020/2021		
	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	7 280	7 279	1	7 539	6 218	1 321
Corporate Management Services	207 300	207 262	38	209 774	208 948	826
District Management	117 492	117 419	73	108 088	110 218	(2 130)
Management and Support Programme 2	11 490	11 074	416	13 331	12 137	1 194
Services to Older Persons	127 500	131 764	(4 264)	121 770	129 802	(8 032)
Services to Persons with Disabilities	58 640	58 435	205	55 823	55 366	457
HIV and AIDS	30 552	30 551	1	36 564	35 480	1 084
Social Relief	16 049	12 296	3 753	27 780	21 984	5 796
Management and Support Programme 3	0	0	0	0	0	0
Care and Services to Families	30 948	30 944	4	26 679	29 865	(3 186)
Child Care and Protection	101 327	102 503	(1 176)	96 786	96 326	460
ECD and Partial Care	351 785	326 595	25 190	337 564	288 359	49 205
Child and Youth Care Centres	110 358	110 354	4	108 882	107 121	1 761
Community Based Care Services for Children	15 852	15 048	804	13 836	13 644	192
Management and Support Programme 4	746	745	1	672	632	40
Crime Prevention and Support	80 800	82 920	(2 120)	78 379	78 471	(92)
Victim Empowerment	35 924	33 914	2 010	31 058	32 407	(1 349)
Substance Abuse Prevention and Rehabilitation	81 064	80 342	722	68 846	66 429	2 417
Management and Support Programme 5	4 025	4 025	0	3 712	3 680	32
Community Mobilisation	3 184	3 184	0	3 286	2 735	551
Institutional Capacity Building and Support for NPOS	14 645	14 645	0	14 624	14 692	(68)
Poverty Alleviation and Sustainable Livelihoods	58 086	57 991	95	85 752	86 292	(540)
Community Based Research and Planning	0	0	0	2 401	1 288	1 113
Youth Development	62 117	62 116	1	56 819	58 351	(1 532)
Women Development	1 344	1 343	1	1 564	1 318	246
Population Policy Promotion	5 231	5 221	10	8 760	7 656	1 104

Reporting on the Institutional Response to the COVID-19 Pandemic**Progress on Institutional Response to the COVID-19 Pandemic**

Budget Programme	Intervention	Geographic location (Province/District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Programme 2 (Social Welfare Services)	Appointment of Social Workers	Free State Province	Persons infected and affected by COVID-19	All categories	12 000	6 996	Psycho-social support services	Empowered and resilient individuals
Programme 2 (Social Welfare Services)	PPE's and Shelter	Free State Province	Persons infected and affected by COVID-19	All categories	4 048	3 018	Care and Protection services	Empowered and resilient individuals
Programme 3 (Children and Families)	ECD stimulus Package	Free State Province	ECD Centre Practitioners and matrons	All categories	35 617	17 359	Early Childhood Development	Empowered and resilient individuals

5. TRANSFER PAYMENTS**5.1. Transfer payments to public entities**

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Not Applicable				

5.2. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2021 to 31 March 2022

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
NPOs	Corporate Management Services	Payment of ENGO	Yes	14 464	14 464	100%
NPOs	Services to Older Persons	Create an environment that enables promotion of the development of older persons and protection of their rights	Yes	54 127	54 128	100%
NPOs	Services to Persons with Disabilities	Protects and promote the rights of people with disabilities including social security rights	Yes	28 586	28 380	99%
NPOs	HIV and AIDS	Reduce the incidence and minimize the psycho-social impact of HIV and AIDS	Yes	17 975	17 975	100%
NPOs	Care and Services to Families	Create an environment that enables the promotion of functional families and prevention of their vulnerability	Yes	5 645	5 644	100%

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
NPOs	Child Care and Protection	Ensure the provision of quality services to children and youth including those in need of care and protection	Yes	38 108	38 297	100%
NPOs	ECD and Partial Care	Ensure the provision of quality early childhood development services to children	Yes	333 486	314 345	94%
NPOs	Child and Youth Care Centres	Ensure the provision of quality services to children and youth including those in need of care and protection	Yes	53 760	53 758	100%
NPOs	Community Based Care Services to Children	Protect, care and support vulnerable children in communities	Yes	15 267	14 471	95%
NPOs	Crime Prevention and Support	Reduce crime and provide diversion programmes	Yes	2 857	2 856	100%
NPOs	Victim Empowerment	Reduce the risk of sexual and physical violence against women (gender-based violence)	Yes	12 019	11 653	97%
NPOs	Substance Abuse Prevention and Rehabilitation	Reduce substance abuse and provide rehabilitation programmes	Yes	8 366	8 366	100%
NPOs	Poverty Alleviation and Sustainable Livelihood	Implement a comprehensive rural poverty reduction strategy ensuring universal access to basic services	Yes	29 154	29 154	100%
NPOs	Youth Development	Create a cadre of patriotic youth who will support programmes to create caring communities	Yes	275	275	100%
NPOs	Women Development	Provide programmes for empowerment of women	Yes	400	400	100%

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

The table below details the conditional grants and earmarked funds paid by the department of Social Development.

Conditional Grant 1: Social Sector EPWP Incentive Grant for Provinces

Department who transferred the grant	Public Works
Purpose of the grant	To incentivise provincial social sector departments, identified in the 2016 social sector EPWP log-frame to increase job creation by focusing on the strengthening and expansion of social sector programmes that have employment potential
Expected outputs of the grant	Payment of stipend to 635 participants
Actual outputs achieved	635 Participants recruited and paid stipends

Amount per amended DORA (R'000)	20 320
Amount received (R'000)	20 320
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	19 720
Reasons for the funds unspent by the entity	Funds withheld due to non-compliance by some NPO's
Reasons for deviations on performance	
Measures taken to improve performance	
Monitoring mechanism by the receiving department	• Monthly submission of attendance and wage registers by participants • Monthly and quarterly financial reports by NPOs

Conditional Grant 2: Early Childhood Development Grant

Department who transferred the grant	Social Development
Purpose of the grant	• To increase the number of poor children accessing subsidised ECD services through partial care facilities. • To assist existing conditionally registered partial care facilities providing an ECD programme to meet basic requirements to attain full registration. • To provide stimulus package to the ECD workforce.
Expected outputs of the grant	Subsidize 10 438 children
Actual outputs achieved	10 728 children subsidized.
Amount per amended DORA (R'000)	111 571
Amount received (R'000)	111 571
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	86 384

Reasons for the funds unspent by the entity	• Maintenance of ECD centres: Fourteen (14) centres could not be maintained due to SCM challenges. • The ECD Stimulus project was managed entirely by National Department of Social Development (NDSD). ECD'S were paid via batches sent to Provinces. Numerous challenges were experienced. • Construction of a low cost ECD centre: Various challenges were experienced such as a delay in obtaining permission to occupy the identified site; geotechnical report; acquiring pre-approved stamps from Solid Waste, Fire Department, Health Department, Centlec and Telkom. • The architectural plans are completed. Geotechnical report was received and submitted to the DPW&I to finalise the engineering drawings.
Reasons for deviations on performance	Same as above
Measures taken to improve performance	
Monitoring mechanism by the receiving department	Conduct quarterly assessments.

Earmarked Funding 1: Office on the Rights of Children

Department who transferred the grant	Free State Department of the Premier
Purpose of the grant	Manage programmes to advocate for the rights of children
Expected outputs of the grant	Promote and advocate for the rights of children
Actual outputs achieved	Ensure mainstreaming of children's rights
Amount per amended DORA (R'000)	N/A
Amount received (R'000)	586
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	577
Reasons for the funds unspent by the entity	Within 2% deviation allowed
Reasons for deviations on performance	
Measures taken to improve performance	
Monitoring mechanism by the receiving department	Conduct quarterly assessments

Earmarked Funding 2: Substance Abuse Treatment

Department who transferred the grant	Social Development
Purpose of the grant	Operationalization of the state-run treatment facility aimed at providing treatment and rehabilitation to service users who abuse and are dependent on substances.
Expected outputs of the grant	Operationalization of the facility
Actual outputs achieved	Facility is operational
Amount per amended DORA (R'000)	N/A
Amount received (R'000)	20 813
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	22 532
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Financial Control Committee in place.

Earmarked Funding 3: Social Worker

Department who transferred the grant	National Department of Social Development.
Purpose of the grant	The allocation was made to address the backlog in the number of social worker graduates that remain unemployed.
Expected outputs of the grant	Employment of 200 unemployed Social Work Graduates utilizing funding from the Presidential Stimulus Package.
Actual outputs achieved	173 Social workers appointed. (92 Social Workers were employed as part of Phase 1 COVID Response and 81 appointed as part of Phase 2).
Amount per amended DORA (R'000)	N/A
Amount received (R'000)	14 433
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	9 228
Reasons for the funds unspent by the entity	Allocated budget was for 10 months, but budget made available during 2021 November Budget Adjustment Process

Reasons for deviations on performance	Delayed recruitment processes
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	N/A

Earmarked Funding 4: Food Relief

Department who transferred the grant	Social Development
Purpose of the grant	Distribution of food parcels to homeless shelters and communities through drop-in centres and Community Nutrition Development Centres (CNDs)
Expected outputs of the grant	
Actual outputs achieved	
Amount per amended DORA (R'000)	N/A
Amount received (R'000)	7 072
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	5 008
Reasons for the funds unspent by the entity	
Reasons for deviations on performance	
Measures taken to improve performance	
Monitoring mechanism by the receiving department	Feedback from beneficiaries

Earmarked Funding 5: Early Childhood Development

Department who transferred the grant	Social Development
Purpose of the grant	To continue expanding ECD subsidies to poor children in existing ECD centres
Expected outputs of the grant	Subsidize 48 685 children
Actual outputs achieved	48 550 children subsidized
Amount per amended DORA (R'000)	N/A
Amount received (R'000)	239 419

Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	239 311
Reasons for the funds unspent by the entity	6 ECD were closed benefiting 135 not subsidised due to non-compliance.
Reasons for deviations on performance	6 ECD were closed benefiting 135 not subsidised due to non-compliance.
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Conducted assessment of ECDs for compliance

Earmarked Funding 6: NPO Court Judgement

Department who transferred the grant	National Treasury
Purpose of the grant	To cover at least core cost of its statutory obligated services and thereafter demonstrates the progressive realization of the remainder of its social services.
Expected outputs of the grant	
Actual outputs achieved	
Amount per amended DORA (R'000)	N/A
Amount received (R'000)	13 237
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	12 755
Reasons for the funds unspent by the entity	
Reasons for deviations on performance	
Measures taken to improve performance	
Monitoring mechanism by the receiving department	

Earmarked Funding 7: Violence Against Women & Children (VAWC)

Department who transferred the grant	Social Development
Purpose of the grant	For prevention and early intervention programmes to fight the abuse of women and children

Expected outputs of the grant	For the elimination and prevention of all forms of violence against women and children as a national priority of government
Actual outputs achieved	
Amount per amended DORA (R'000)	N/A
Amount received (R'000)	16 587
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	15 365
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	Site visits, inspections and meetings with service providers
Monitoring mechanism by the receiving department	Monthly and quarterly financial reports by NPOs

Earmarked Funding 8: HIV Prevention Programmes

Department who transferred the grant	Social Development
Purpose of the grant	To implement social and behaviour change programme to reduce vulnerabilities to HIV&AIDS among key populations
Expected outputs of the grant	Fund NPO's to implement the programme
Actual outputs achieved	
Amount per amended DORA (R'000)	N/A
Amount received (R'000)	1 099
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	1 500
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	
Measures taken to improve performance	
Monitoring mechanism by the receiving department	

Earmarked Funding 9: NPO Court Judgement

Department who transferred the grant	Free State Provincial Treasury
Purpose of the grant	To cover at least core cost of its statutory obligated services and thereafter
Expected outputs of the grant	
Actual outputs achieved	
Amount per amended DORA (R'000)	N/A
Amount received (R'000)	11 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	11 411
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	Achieved.
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	N/A

Earmarked Funding 10: COVID 19

Department who transferred the grant	Social Development
Purpose of the grant	Implementation of COVID-19 measures
Expected outputs of the grant	Provision of PPEs and social service support
Actual outputs achieved	
Amount per amended DORA (R'000)	N/A
Amount received (R'000)	12 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	7 000
Reasons for the funds unspent by the entity	Employment of additional 81 unemployed social work graduates was done late in the financial year
Reasons for deviations on performance	Delayed recruitment processes
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	N/A

Earmarked Funding 11: Infrastructure Enhancement

Department who transferred the grant	Free State Provincial Treasury
Purpose of the grant	To help with maintenance of institutions and office buildings
Expected outputs of the grant	Ensuring that office buildings and institutions are secured and renovated
Actual outputs achieved	
Amount per amended DORA (R'000)	N/A
Amount received (R'000)	2 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	1 984
Reasons for the funds unspent by the entity	100% spending
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Compliance in relation to quality monitoring and continued project reporting model

7. DONOR FUNDS**7.1 Donor Funds Received**

N/A

8. CAPITAL INVESTMENT**8.1 Capital investment, maintenance and asset management plan**

Infrastructure projects	2021/2022			2020/2021		
	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	2 458	0	2 458	16 701	15 104	1 597
Existing infrastructure assets	20 734	14 511	6 223	9 401	9 401	
- Upgrades and additions		271	(271)	9 401	9 401	
- Rehabilitation, renovations and refurbishments						
- Maintenance and repairs	20 734	14 240	6 494			
Infrastructure transfer						
- Current						
- Capital						
Total	23 192	14 511	8 681	26 102	24 505	1 597

Notes

[illegible]

PART C

GOVERNANCE



1. INTRODUCTION

Department established good governance structures and officially appointed members ensure that the state resources are economically efficiently and effectively utilized.

2. RISK MANAGEMENT

The Department has a Risk Management Unit. There is a Risk Management Policy and a Strategy in place which was reviewed and approved.

Risk assessment is a continuous exercise that is conducted on the quarterly basis.

The Department has a Risk Management Committee which was appointed for the 2021-22 financial year in order to provide oversight on the mitigation of risks and recommendations to the Accounting Officer.

The Report from Risk Management committee is presented on a quarterly basis to the Audit Committee.

Risk Management Unit needs to be capacitated to ensure effective management of risks.

3. FRAUD AND CORRUPTION

The Department's Fraud Prevention Plan is a mechanism that manages department's vulnerability to fraud, has a clear organisational structure and serves to inform all stakeholders on policies and procedures in place. This informs all employees, stakeholders on the stance of employer towards Zero Tolerance to Corruption.

The Plan is reviewed on an annual basis should there be a need or change to fraud risk and approved by the Accounting Officer of the Department. The implementation of the various components is reviewed on a quarterly basis.

The Anti-Fraud and Corruption Unit is assessed by the Ethics, Audit committees and Department of Treasury.

Monitoring

A fraud and corruption register is developed for the following purposes:

- (a) Recording all allegations;
- (b) Tracking progress with the management of allegations;
- (c) To facilitate the early identification of weaknesses and recurring risks and inform managers and employees.
- (d) Provide feedback to employees and other whistle blowers on the management of allegations.

Creating awareness

The Plan comprises two areas, namely education and communication

Education

Formal awareness presentations /workshops are conducted for employees and organisations that receives funding from the department of Social Development.

Encouraging employees to blow the whistle on fraud and corruption within their work environments. The protocol on reporting is clear on the policies and strategy plan.

Encouraging employees to understand specific fraud and corruption related risks to which department may be exposed.

Communication

The objective of communication is to further create awareness amongst employees, the public and other stakeholders, to facilitate a culture where all stakeholders strive to contribute towards making zero tolerance to corruption. This increases the prospect of fraud and corruption being reported.

Department's intranet, posters in the notice boards serves as communication to the employees and during policies and fraud prevention strategy review.

Mechanisms are in place to report fraud and corruption and how these operate.eg: Whistle blowing - The need for officials to make confidential disclosure about suspect fraud and corruption.

An anonymous informant employees and other individuals (members of public) can raise a concern about serious malpractice within the Department or funded organisations. It is an early warning system and a means of enabling department to find out when something is going wrong in order to take corrective actions.

The cases are reported by anyone who believe and suspect acts of fraud and corruption.

It is every employee's responsibility to report incidents of fraud and corruption because:

- It is suspected or wrongdoing
- It adversely affects all sectors within the Department of Social Development and impacts mostly limited resources of the department
- It is blight on department's image.

Any suspicion act of fraud and corruption will be treated seriously, will be reviewed, analysed, and if warranted investigated.

Any report of incidents of fraud and/or corruption will be confirmed by the Anti-fraud and Corruption Unit after an independent investigation is conducted. Anonymous reports may warrant a preliminary investigation before any decision to implement and independent investigation is taken.

Investigations undertaken by appropriately qualified and experienced person who are independent employed by the Department. Further investigation should there be a need

If fraud or corruption is detected or suspected, investigations will be initiated, and if warranted, disciplinary proceedings, prosecution or action aimed at the recovery of losses will be initiated.

4. MINIMISING CONFLICT OF INTEREST

A conflict of interest may arise as a result of a conflict between the public duties and private interest of an employee, such as his/her financial interests, outside remunerative work, gifts and other benefits outside the public service. To strengthen measures for managing unethical conduct and promoting integrity, the

Department had introduced the following measures:

- Designation of an Ethics Officer to manage conflict of interest, including:
 - o Financial disclosures of specified employees;
 - o Application for external remunerative work; and
 - o Departmental gift register
 - o Ensure the development and enforcement of ethics policies and codes
- Establishment of the Ethics and Fraud & Anti-corruption Committee to assist the determination of the department's ethics strategy, and to provide oversight of integrity management.
- The department had implemented the Ethics Management Policy and Gift Policy which contains provisions for managing conflicts of interest that may result as a result of financial interests, gifts,

hospitality and other benefits, remunerative work outside public service and officials conducting business with the state.

5. CODE OF CONDUCT

The Code of Conduct in Chapter 2 Part 1 of the Public Service Regulations, 2016 (PSR) inter alia require public servants to act in the best interests of the public, be honest when dealing with public funds, never abuse their authority, and not use their position to obtain gifts, benefits or accepting bribes.

- All employees of the department are within applicable legislation expected to deliver services efficiently and effectively.
- Departmental employees shall act and conduct themselves in an ethical and professional manner.
- All employees shall abide by the Code of Conduct for the Public Service.
- New employees shall be provided with a copy of the Code of Conduct on assumption of duty.
- New employees shall be subjected to internal induction sessions on the Code of Conduct inclusive of the Compulsory Induction Programme.
- Existing employees shall be informed of the Code of Conduct or relevant provisions thereof on an annual basis through appropriate human resource circulars and/or annual awareness/information sessions.
- The Code of Conduct must be accessible to employees at all times.

Any non-compliance to the public service act and regulations is deemed misconduct and should be reported in accordance with the reporting policy of the department. Breaches to the PSR, 2016 will include reporting on colleagues not disclosing gifts, employees not obtaining permission to perform other remunerative work outside the employee's employment, and colleagues conducting business with an organ of state.

An employee identified as non-compliant will be investigated and, based on the outcome of the investigation, appropriate consequence management shall be implemented against the official.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The department has been doing its best to secure the health and well-being of its employees and their families by establishing the following structures:

- Departmental War Room (comprising of management)
- Departmental Health and Safety Committee, that include social partners;
- Appointment of Compliance Officers and Occupational Health and Safety (OHS) representatives to ensure adherence to regulations.

The DSD Employer rolled out training of all OHS representatives throughout the province.

Other interventions implemented at the departmental offices and all institutions include the following:

- Personal Protective Equipment (PPE's) are being provided to both employees and residents at the residential facilities.
- Visit by the public to the departmental institutions were suspended.
- Electronic and manual screening
- Deep cleaning and decontamination of buildings when positive cases are identified.

Since the advent of COVID-19, a total number of 559 cases were registered in the department, with 8 fatalities. Statistics reveal that during towards the last two quarters, the number of COVID-19 cases reduced dramatically, with success attributed to adherence to non-pharmaceutical interventions, and new applications for remote working arrangements, and COVID-19 vaccinations.

7. PORTFOLIO COMMITTEES

Dates of the meeting

DATE	PURPOSE	VENUE
6 June 2021	Presentation of the Annual Performance Plan for 2021-22	Ms Teams - Virtual
10 June 2021	Consideration of fourth Quarter Performance Report for 2020-21	Ms Teams - Virtual
23 September 2021	Consideration of 1st Quarter Performance Report for 2021-22	Ms Teams - Virtual
25 November 2021	Consideration of 2nd Quarter Performance Report for 2021-22 and Annual Report for 2020-21	4 th Raadsaal, Bloemfontein
28 April 2022	Consideration of 3rd Quarter Performance Report for 2021-22	4 th Raadsaal, Bloemfontein

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
12/2020	Non-profit Organisations	Implement adequate, efficient and effective monitoring processes to ensure that funds transferred are utilized for the intended purpose.	i) The Department will enforce the following: ➤ That the Organization submits written assurance to the Department that it implements effective, efficient, and transparent financial management and internal control systems, which is incorporated into the Memorandum of Agreement: ➤ That effective, efficient and transparent financial management and internal control systems will be implemented. This to be done by completing the PFMA Certificate. If such written assurance cannot be given, plans should be put in place for funds to be transferred subject to terms and conditions of PFMA Certificate B, which stipulates the building of capacity to establish and implement effective, efficient and transparent financial and internal control systems before funds are transferred to the organization Responsibility: Province working with Districts ii) Will monitor and enforce consistency in reporting for all organizations as prescribed in the Memorandum of Agreement (MOA) entered into between the NPO and the Department, by: ➤ Maintaining of appropriate measures to ensure that grants and other transfer payments are applied for their intended purposes. Such measures may include:	No (Progress 75%)

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			➤ Regular monitoring of reporting procedures ➤ Audit requirements and, where appropriate, submission of audited statements ➤ Scheduled or unscheduled inspection visits or reviews of performance Responsibility: Districts iii) The department will enforce compliance to all legislation, with specific reference to the relevant clauses of the Public Finance Management Act no 1 of 1999, Treasury Regulations (8.4.1), as well as other relevant financial legislation that regulates transfer payments to entities as well as the NPO Act (Act 71 of 1997) ➤ Where there's non-compliance in terms of submission of utilization of funds for the purpose they were intended for; non-submission of reports for services rendered and with the required frequency, the Department will: ➤ Suspend funding to such an organization and only uplift that suspension when it becomes compliant to the prescripts of the signed Memorandum of Agreement (MOA); Treasury regulations and NPO Act. Responsibility: Province and Districts	
	Irregular Expenditure	Put measures in place to ensure compliance with SCM legislation.	✓ SCM delegations were amended to ensure that all deviations above R10 000 are approved by the Accounting Officer. ✓ Manual orders are limited; current year irregular expenditure is the continuation of previous financial year issues of catering. ✓ Supply Chain Management received 6 interns in and 5 permanent employees starting from the 1st of February 2022, therefore more controls and measures will be put in place. ✓ SCM Officials are currently attending different training sessions."	No (Progress 90%)
	Salaries paid to officials on strike	Implement the recovery of salaries after directive from the National Department has been received.	The chances of recovering the cost of the strike are remote. The matter remains a consistent asset in the departmental books.	No (Progress 90%)
	Departmental Facilities	The department must ensure that all facilities are completed as it impacts negatively on the users.	✓ Conditional assessment on estimated costs to maintain the Departmental Institutions was conducted in 2017 with the estimated costs of R66 750 450. ✓ Action plan developed to fast track infrastructure procurement. ✓ Monitoring of work on site done regularly. ✓ Department presented its budget pressures during the PMTEC hearing and additional funds requested when submitting the UAMP for 2022/23 MTEF.	No (75% progress)

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			✓ Conditional assessment completed, the Department to focus on three institutions in 2022/23 financial year, Leratong & Tshireletsong Children's Homes, and Thabo Mofutsanyane Secure Care	
	Youth Development Project	Monitoring, detection and evaluation must be strengthened in order for the project to grow and become effective in order to assist the youth development agency to become self-sustainable and being able to generate an income.	✓ The Service Level Agreement (SLA) was signed by both parties, DSD and Enslins Accountants. ✓ The assessment and the report have been finalised and was tabled to the management on 30 April 2022. Department will then make its determination based on the assessment report from Enslins Accountants. The project has been transferred to DESTEA, and a hand over report was prepared.	No (Progress 75%)
	Procurement and Contract Management	All officials should be trained regarding the SCM processes to limit fraudulent activities	✓ Request for training of Senior Management was submitted in December 2021. ✓ SMS training by Provincial Treasury is arranged for 26 January 2022 and took place on the 26 January 2022. ✓ Training on all SCM officials will took place on the 24th and 25th February 2022. ✓ Training on approved Departmental Policy scheduled for March 2022"	No (Progress 90%)
	Transfers and subsidies	i. Management should address and measure its transfer payments against the Guidelines requirements of the National Treasury classification circular of May 2018 to ensure that goods and services expenditure are correctly classified.	The office of the Accountant General referred the matter of classification to National Treasury. Awaiting final conclusion. No update as yet on the dispute issue."	No (Progress 90%)
		ii. Implement measures to ensure adequate supporting evidence for money transferred to NPOs and to ensure that money indeed reached the beneficiaries.	The department in collaboration with NDSD, NLC, NDA, SARS and other stakeholders arranged workshops/seminars/ and roadshows wherein NPOs are invited. The intervention covered during these sessions include among others: • Compliance with the NPO Act requirements – e.g. Compiling of annual reports for the NPOs Directorate - Narrative Report - Financial Report (income and expenditure, balance sheet, accounting officers report) - Governance – how to conduct meetings	No (Progress 75%)

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			- Conflict Management - Project Management etc. As at the end of the financial year 1511 NPOs were capacitated in the five (5) districts. Department has trained more 700 NPOs in all the Districts and Metro. The trainings are ongoing. The NPOs were trained on Financial Management which includes budget breakdown, cash flow, report writing. M&E Provincial office conjunction with the districts will embark on the site inspection compliance drive to the funded NPO's.	
	Reported performance information	i. Implement measures to ensure that monitoring and evaluation process of the department is effective to detect and correct inconsistencies in underlying control records	• Department will appoint additional staff to ensure full implementation of Policy and Guidelines for Managing Performance Information. Request for 15 Interns to conduct data verification was submitted to Free State Training and Development Institute (FSTD). • 15 interns appointed to conduct data verification. • In-house training was provided. • Standard Operating Procedures (SOP) for managing performance information has been reviewed. • Internal Audit validated information on a quarterly basis • Department developed an online reporting system which provide for uploading of Portfolio of Evidence for reported information. Monitoring and Evaluation is currently uploading Evidence from previous quarters in preparation for the audit. The following Internal Controls were implemented: 1. Developed and implemented online reporting system 2. Uploaded portfolio of evidence 3. Reviewed policy and implementation guidelines 4. Assigned district M&E officials	No (Progress 75%)
		ii. Evidence should be properly kept in a safeguarded area.	1. Secondary source documents are kept at Provincial Office. 2. Primary source documents are uploaded online 3. Verifications and validations conducted monthly"	No (Progress 75%)
		iii. Implement effective consequence management for officials that do not implement the developed corrective actions of the department or where progress towards the	1. To avoid recurrence of findings, reported information is verified against primary source documents which are uploaded on the system. 2. The department is currently assessing the root causes and disciplinary measures will be implemented to those who were found liable"	No (Progress 50%)

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		implementation of the corrective actions is slow.		
	Compliance	Institute departmental processes to monitor and evaluate the spending beyond accepting and reviewing the spending report.	1. The NPOs were trained on Financial Management which includes budget breakdown, cash flow, report writing. M&E Provincial office conjunction with the districts will embark on the site inspection compliance drive to the funded NPO's. 2. As part of the implementation of the consequence management Department has terminated contracts of the NPOs who have transgressed. Status quo remains. Most organisations were closed during December until mid-January 2022 and officials were on leave till late in January 2022. The 3rd and 4th quarter site inspections will be finalized during February 2022. The Schedule together with suspension / termination letters. Annexure D and C" In March there was no schedule for site inspection. The site visits were conducted in a form of unnoticed /spot checks	No (Progress 75%)

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

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 department did not classify expenditure in accordance with chapter 8 Expenditure in the MCS. The department incorrectly classified goods and services as transfers and subsidies to non-profit institutions (NPI's)	2018/19 - 2019/20	The matter was escalated to the National Leader at the Risk and Ethics office of AGSA. Meetings were also held between, the Ethics Committee, Audit Committee, AGSA and SOCDEV. The department is awaiting the report /outcome of the investigation. Subsequently, no progress on the outcome of the investigation. However, the department tabled the 2020/21 Annual Report
The department did not have sufficient appropriate audit evidence that prepayments (expensed), included under prepayments and advances note 11, and had been properly accounted for, as the department did not have adequate processes to maintain the records of the prepayments expensed.	2020/21	The department facilitated a process of ensuring and confirming that supporting documents for expenditure reported by the organisation is valid and is fully accounted for.

10. INTERNAL CONTROL UNIT

The work performed by internal control unit during the year.

- Established, developed and updated financial management policies and procedures register
- Consolidated monthly and quarterly KCM report for Provincial Treasury and ensured that all supporting documents are available and filled accordingly

- Consolidated all inputs on Audit Remedial Action Plan, PROPAC Resolutions and audit findings
- Conducted investigations and reported on Irregular and Fruitless & Wasteful expenditure cases to the Accounting Officer and ensured registers are properly kept
- Participated and provided inputs on Audit steering Committee meetings
- Facilitated audit, handled audit related queries and confirmed adequacy of management responses
- Facilitated procedure to address the qualification paragraph on Pre-payments (expensed) by ensuring and confirming that supporting documents for expenditure reported by the organisation is valid and has occurred.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of the internal audit

- Internal Audit provided limited assurance on governance, risk management and internal control, including on non-financial data. The unit coordinated and provided secretariat services for all eight Audit Committee meetings for the financial year under review. The unit also evaluated the extent to which governance systems are implemented in the department, evaluated the extent to which the risk management principles are inculcated into the language and activities of the department.

Summary of audit work done

The following audit projects were performed: (refer to audit committee report below)

- Quarterly Interim and Annual Financial Statements 2021/22
- Performance Information (Mangaung, Xhariep and Lejweleputswa Districts)
- SCM – Covid 19 Procurement
- Governance Structures
- Review of Irregular Expenditure
- Review of Procurement of Laptop/Notebooks
- Transfer Payments and NPO Management
- Follow up on Covid-19 Protocols
- Follow up and reporting on Audit action plan

Audit Findings:

SCM COVID-19 procurement

- Incorrect line-item used to pay for decontamination of government buildings.
- Possible irregular expenditure due to Covid-19 procurement deviations processed after 1st September 2020 (National Treasury Instruction no. 11 of 2020/2021 approved on 25 August 2020 and came into effect on 01 September 2020).
- B-BBEE Level 1 or 2 Certificate not attached by supplier (should have been disqualified) however, supplier was appointed.

Follow-Up Governance and Ethics Management

- No assurance that decisions taken by department's governance structure(s) are timeously implemented and that there is mechanism in place to track implementation thereof.
- Low risk-conscious culture /risk culture not embedded in the departmental governance processes

- Code of conduct not signed by officials, no training conducted for existing officials and not all newly appointed officials were inducted.
- Employees' applications to perform remunerative work outside the public service not processed/considered (approval/disapproval) within 60 days.
- No gift register in place.
- Ethics risk assessment not complete.
- Standard operating procedures not developed for all departmental core services (Social Welfare, Specialist Social Services and Community Development).

Audit of Performance Information (Sub-Directorate Integrated Monitoring and Evaluation)

- No Monitoring and Evaluation officials at District level to efficiently and effectively monitor performance Information.
- High vacancy level in Strategic Management Directorate.
- No web-based system in place for management of Departmental Performance Information.
- Misstatements on reported performance due to calculation/ capturing errors.
- Reported information (statistics) does not agree to the primary source documents provided.
- Possible under-reporting of performance by Mangaung District (files were submitted to Internal Audit but could not be traced to the reported performance information).
- There is no Standardised Operating Procedures for Child and Youth Care Services which poses a challenge when it comes to capturing primary source documents.
- Inconsistency of capturing on the M&E system. There are instances where organisations have submitted Zero-reporting statistics, however; a dash (-) sign is captured on the system instead of (0).

Key activities and objectives of the audit committee

- The Committee, comprised of four members from the Accounting, Risk and Auditing as well as Legal background, the existing members met 6 times and contracts expired on the 30th September 2021. A new cohort of members comprising 5 members were appointed from the 25th October 2021, the latter held 2 meetings and an Induction session.
- The Committee met a total of 8 times virtually and physically in the financial year per schedule and the Chairperson held ad-hoc meetings with the Provincial Accountant General, the Head of Department, the Chief Financial Officer and Chief Audit Executive, mainly to facilitate intervention in the dispute matter of qualification audit outcome for 2019/20. The matter was not finalised as at 31 March 2022.
- The Committee also assisted the Accounting Officer in implementing recommendations of Internal Audit reports, the Committee compiled and submitted quarterly reports to the Accounting Officer and the Executive Authority and advocated for Internal Audit, Risk Management and Anti—Fraud and Corruption functions in the department.
- The Committee also evaluated the quarterly financial and performance reports.
- The Audit Committee is fulfilling its responsibilities according to the requirements of the PFMA and its approved Charter.

Meetings for 2020/21 financial year were held and attended as follows by members:

The tables below disclose relevant information on the Audit Committee members from 1 April 2021 to 31 March 2022.

First cohort of Audit Committee members from 1 April 2021 to 30 September 2021:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr. M Mohlakoana	CIA	External	-	1 March 2018	-	6
Ms. M Nkomo	MCOM	External	-	15 November 2019	-	3
Mr. S Ngwenya	CA(SA)	External	-	15 November 2019	-	6
Adv. Nell vd Heerden	LLB	External	-	19 September 2020	-	6

Second cohort of Audit Committee members from 25 October 2021 to 31 March 2022:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr. M Mohlakoana	CIA	External	-	25 October 2021	-	3
Mr. S Ngwenya	CA(SA)	External	-	25 October 2021	-	3
Ms. L Sonqishe	Bachelor – Accounting Sciences, Masters: Business Administration	External	-	25 October 2021	-	3
Adv. ST Kholong	LLB (Law), Project Management, Masters: Business Leadership	External	-	25 October 2021	-	3
Mr. ZW Ngququ	B Proc, Post graduate Diploma – Drafting and Interpretation of contracts	External	-	25 October 2021	-	3

12. AUDIT COMMITTEE REPORT

FINAL AUDIT COMMITTEE REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Shared Audit Committee (the Committee) is pleased to present its report for the financial year ended 31 March 2022.

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee hereby reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.10 to 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein. The Committee has reviewed changes in accounting policies and practices.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE:

The Committee consisted of 2 cohorts of members, The first cohort consisted of 4 independent members listed below and should meet at least four (4) times per annum as per its approved terms of Charter. Contracts of members expired on the 30th September 2021. During the financial year, the Committee met 6 times and meeting attendance is reflected below:

Names	Dates of Meetings					
	21 April 21	6 May 21	26 May 21	29 June 21	30 Aug 21	27 Sept 21
Mr. M Mohlakoana (Chairperson)	✓	✓	✓	✓	✓	✓
Mr. S Ngwenya	✓	✓	✓	✓	✓	✓
Ms. M Nkomo	✓	✓	✓	■	■	■
Adv. N van Heerden	✓	✓	✓	✓	✓	✓

Legend:

✓ : Member attended the meeting

✦: Member tendered an apology

■: Member has departed (May her Soul Rest in Peace)

The Committee conveys heartfelt condolences to the family and friends of one of its members, Ms. Maleho Nkomo, who, sadly succumbed to complications of COVID-19. Ms Nkomo served the Department with diligence and outstanding professionalism and her contribution to our Country will never go unnoticed.

The second cohort of members were appointed on the 25th October 2021 and comprised 5 independent members. During the financial year, the Committee held an induction session and held one meeting. The meeting attendance is reflected below:

Names	Dates of Meetings	
	25 February 2022 (Induction)	18 March 2022
Mr. M Mohlakoana (Chairperson)	✓	✓
Mr. S Ngwenya	✓	✓
Adv. ST Kholong	✓	✓
Adv. ZW Ngququ	✓	✓
Ms. L Sonqishe	✓	✓

Legend:

✓ : Member attended the meeting

✦ : Member tendered an apology

In terms of Treasury Regulations 3.1.10, the audit committee has amongst others, reviewed the following:

- Effectiveness of the internal control systems;
- Effectiveness of the internal audit function;
- Risk areas of the institution's operations to be covered in the scope of internal and external audits;
- Adequacy, reliability and accuracy of the financial and performance information provided to management and other users of such information;
- Any accounting and auditing concerns identified as a result of internal and external audits;
- The department's compliance with legal and regulatory provisions and
- The activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.

THE EFFECTIVENESS OF INTERNAL CONTROL

The Committee has reviewed the reports of Management, Internal Auditors and Provincial Treasury. Based on the assurance provided by Management and Internal Auditors, no material breakdown was reported in the Governance, Risk and Internal Control.

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

The following Internal Audit work was completed during the year under review:

- Quarterly Interim and Annual Financial Statements 2021/22.
- Performance Information (Mangaung, Xhariep and Lejweleputswa Districts).
- SCM – Covid 19 Procurement.
- Governance Structures.

- Review of Irregular Expenditure.
- Review of Procurement of Laptop/Notebooks.
- Transfer Payments and NPO Management.
- Follow-up on Covid-19 Protocols.
- Follow up and reporting on Audit Action Plan.

The following are some of the issues that were raised in Internal Audit reports, most of these have been addressed:

SCM COVID-19 PROCUREMENT

Internal Control

- Incorrect line-item (misclassification) used to pay for decontamination of government buildings.
- Possible irregular expenditure due to Covid-19 procurement deviations processed after 1st September 2020 (National Treasury Instruction no. 11 of 2020/2021 approved on 25 August 2020 and came into effect on 01 September 2020).
- B-BBEE Level 1 or 2 Certificate not attached by supplier (supplier should have been disqualified) however, supplier was appointed.

FOLLOW-UP GOVERNANCE AND ETHICS MANAGEMENT

Governance, Risk and Internal Control

- No assurance that decisions taken by department's governance structure(s) are timeously implemented and that there is mechanism in place to track implementation thereof.
- Low risk-conscious culture /risk culture not embedded in the departmental governance processes
- Code of conduct not signed by officials, no training conducted for existing officials and not all newly appointed officials were inducted.
- Employees' applications to perform remunerative work outside the public service not processed/considered (approval/disapproval) within 60 days.
- No gift register in place.
- Ethics risk assessment not complete.
- Standard operating procedures not developed for all departmental core services (Social Welfare, Specialist Social Services and Community Development).

AUDIT OF PERFORMANCE INFORMATION (SUB-DIRECTORATE INTEGRATED MONITORING AND EVALUATION)

Governance Findings

- No Monitoring and Evaluation officials at District level to efficiently and effectively monitor performance Information.
- High vacancy level in Strategic Management Directorate.
- No web-based system in place for management of Departmental Performance Information.

Internal Control Findings

- Misstatements on reported performance due to calculation/ capturing errors.
- Reported information (statistics) does not agree to the primary source documents provided.
- Possible under-reporting of performance by Mangaung District (files were submitted to Internal Audit but could not be traced to the reported performance information).
- There is no Standardised Operating Procedures for Child and Youth Care Services which poses a challenge when it comes to capturing primary source documents.
- Inconsistency of capturing on the M&E system. There are instances where organisations have submitted Zero-reporting statistics, however; a dash (-) sign is captured on the system instead of (0).

Management has developed an action plan to address the above control deficiencies which are being monitored on a monthly basis by Internal Audit. The Committee resolved that these matters should be addressed urgently. The ongoing efforts to enhance internal control measures are noted.

THE COMMITTEE IDENTIFIED AND RAISED THE FOLLOWING AREAS OF CONCERN:

- ✓ Management not actively addressing the key control environment issues over the past financial year.
- ✓ Inadequate review on the system of internal control and compliance with laws and regulations which is not taking place continuously and throughout the whole department.
- ✓ Proper record keeping which is not maintained to ensure completeness, accuracy and availability of information.
- ✓ The Committee is also concerned about Management's failure to address long outstanding findings by Internal Audit. It is noted that matters of audit and risk management are now forming part of contracts of Senior Managers.

THE QUALITY OF IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORTS SUBMITTED IN TERMS OF THE PFMA AND THE DIVISION OF REVENUE ACT.

The Audit Committee has reviewed all quarterly financial reports and is satisfied with the content and quality of quarterly reports prepared and issued by the Accounting Officer of the Department during the year under review.

The Committee has also reviewed the quarterly performance reports and notes that, although there are improvements in the management of performance information, there are areas which still require attention. The Committee notes the development of a system internally to manage performance information.

EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee has performed the following:

- reviewed and discussed the draft annual financial statements before submission to Auditor-General with the Accounting Officer, these statements have been prepared in accordance with the preparation guide and format supplied by National Treasury, in compliance with modified cash standard as issued by National Treasury;
- reviewed the significant adjustments which resulted from the audit;
- has reviewed any changes in accounting policies and practices;
- has reviewed the department's compliance with legal and regulatory provisions;

- reviewed the quality and timeliness of financial information submitted to the Committee during the year;
- has reviewed the information on predetermined objectives to be included in the annual report, management attention is drawn to the stringent control measures required to ensure that performance information objectives are achieved on Reliability of information contained in the annual performance report, this can be achieved by ensuring that the validation process is credible and all parties expected to participate in the process do play their role.

EFFECTIVENESS OF INTERNAL AUDIT

The Audit Committee is satisfied that the Internal Audit and Risk Management functions are operating effectively, however, there are instances where matters raised by Internal Audit still need to be addressed by management. In some instances, the management responses on the Internal Audit reports did not sufficiently address the root causes. The Committee has continuously urged management to address the Internal Audit findings to ensure an improved internal control environment. The use of work of Internal Audit by the Auditor-General is noted.

Notwithstanding the capacity constraints within the unit, the Internal Audit Activity (IAA) operated and addressed some of the pertinent risk areas in its audit projects.

The plan of Internal Audit could not be completed and the Committee has approved overlapping of project into the next financial year. This was due to constraints of the Lockdown, closure of buildings for decontaminations, isolation of staff and departmental decision for one-third of officials available at a time.

AUDITOR-GENERAL'S REPORT

We have reviewed the department's implementation plan for audit issues raised in the previous year and we are satisfied that the matters have been adequately resolved except for the following:

Functional Area	% Progress	Details
Transfer to NPO's (Prepayments)	100%	AGSA was unable to obtain sufficient appropriate audit evidence that prepayments included under prepayments and advances note 11, had been properly accounted for, as the department did not have adequate processes to maintained records of prepayments expensed. I was unable to confirm prepayments by alternative means. Consequently, AGSA was unable to determine whether any adjustment was necessary to prepayments stated at R30 965 000. in note 11.1 of the financial statements.
Irregular Expenditure (SCM)	100%	As disclosed in note 23 to the financial statements, the department incurred irregular expenditure of R50 114 000 (2020: R14 738 000) due to non-compliance with supply chain management (SCM) requirements and the payment of compensation to employees in contravention of the Public Services Act 103 of 1994 and its regulations. In addition, the full extent of irregular expenditure is still in the process of being determined.

		Some of the goods and services of a transaction value above R500 000 were procured without inviting competitive bids as required by treasury regulation 16A6.1 and paragraph 3.4.1 of Practice Note 8 of 2007/08. Similar non-compliance was also reported in the prior year. Some of the IT-related goods and services, classified as mandatory, were not procured through the State Information Technology Agency (SITA), as required by treasury regulation 16A6.3(e) and section 7(3) of the SITA Act 88 of 1998
Irregular Expenditure (Human Resources)	100%	As disclosed in note 23 to the financial statements, the department incurred irregular expenditure of R50 114 000 (2020: R14 738 000) due to non-compliance with supply chain management (SCM) requirements and the payment of compensation to employees in contravention of the Public Services Act 103 of 1994 and its regulations. In addition, the full extent of irregular expenditure is still in the process of being determined. Some of the goods and services of a transaction value above R500 000 were procured without inviting competitive bids as required by treasury regulation 16A6.1 and paragraph 3.4.1 of Practice Note 8 of 2007/08. Similar non-compliance was also reported in the prior year. Some of the IT-related goods and services, classified as mandatory, were not procured through the State Information Technology Agency (SITA), as required by treasury regulation 16A6.3(e) and section 7(3) of the SITA Act 88 of 1998.
Fruitless and Wasteful Expenditure	100%	As disclosed in note 24 to the financial statements, the department incurred fruitless and wasteful expenditure of R21 576 000 (2020: R2 353 000), due to interest paid on the outstanding liability to NPIs in respect of a May 2020 Court Judgement.
Consequence Management	100%	AGSA was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure. Disciplinary steps were not taken against some of the officials who had incurred and/or permitted irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA.

AFS High Level Review	75%	The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and/or supported by full and proper records, as required by section 40(1) (a) and (b) of the PFMA. Material misstatements of expenditure and disclosure items identified by the auditors in the submitted financial statements were corrected, but the supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.
Performance Information APO (Disclaimer)	100%	AGSA was unable to obtain sufficient appropriate audit evidence for the reported achievements of four of the 10 indicators relating to programme 3 - Children and Families. This was due to the lack of accurate and complete records and a lack of reliable systems and process to ensure that all achievements are recorded. AGSA was unable to confirm the reported achievements by alternative means. Consequently, AGSA was unable to determine whether any adjustments were required to the reported achievements in the annual performance report for the indicators listed below.
Transfer of Funds	100%	Appropriate measures were not maintained to ensure that transfers and subsidies to entities were applied for intended purposes as required by treasury regulation 8.4.1.
Internal Control Deficiency: Remedial Action Plan	100%	Management of the Department were slow to respond to the issues reported during previous year's audit. Management did not ensure that adequate monitoring and evaluation processes were maintained, and the audit action plan developed to address the matters reported in the previous financial year, did not ensure that sufficient corrective actions and consequences were implemented timeously.
Internal Control Deficiency: High Vacancy Rate	50%	The department's vacancy rate remains high due to number of critical funded posts that were not filled.

Management has developed an action plan to address the above control deficiencies which are being monitored on a monthly basis by Internal Control and Internal Audit.

PERFORMANCE INFORMATION

The Committee monitored implementation of the Department's Annual Performance Plan (APP) in order to achieve its strategic objectives and deliver on its mandate. The Committee is satisfied that the reports on performance information are a fair reflection of the operational status of the Department as set out in the APP.

RISK MANAGEMENT

The Department has a separate Risk Management Committee chaired by an external independent Chairperson. The Risk Management Committee (RMC) provided oversight on the development and implementation of the risk management policies, the risk assessment process, and the development of the strategic risk register. Management is ultimately responsible for maintaining an effective risk management process.

Based on the assessments by the Provincial Treasury, the Department's risk management processes and risk maturity levels are at a elementary stage. The Audit Committee has a concern regarding vacant post of Chief Risk Officer, however, the placement of 2 interns in the unit is noted and should assist with addressing capacity challenges in the unit.

IN-YEAR MANAGEMENT AND QUARTERLY REPORT

During the year under review, the Department has submitted quarterly and mid-term reports to the Provincial Treasury as required by the PFMA and the Division of Revenue Act.

Given the volume of irregular expenditure reported thus far, the Committee has consistently urged management not only to identify, but to also tighten the controls around the prevention and detection thereof during the year.

EVALUATION OF THE FINANCIAL STATEMENTS

The Audit Committee has reviewed the following:

- Annual Financial Statements for the year ended 31 March 2022 to be included in the annual report;
- Information of the audited performance information to be included in the 2021/22 annual report; and
- The Department's compliance with legal and regulatory provisions.

AUDITOR-GENERAL SOUTH AFRICA

The Audit Committee liaised with the Auditor-General South Africa (AGSA) during the year. We have reviewed the Department's implementation plan for audit findings raised in the previous year and we are satisfied that the matters have been, to a significant extent been resolved, although resolved late in the financial year.

The Committee reviewed the AGSA's 2021/22 Regularity Audit Report before the audit was finalized.

CONCLUSION

The Committee would like to thank the Executive Authority, the Accounting Officer and Management, Provincial Treasury and Internal Audit team for their professionalism and support throughout the year.



Mr. M Mohlakoana
Chairperson of the Audit Committee

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion <i>(include a discussion on your response and indicate what have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not applicable to the Department of Social Development
Developing and implementing a preferential procurement policy?	Yes	The Department has the SCM policy which encompasses the Preferential Procurement Framework.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable to Department of Social Development
Developing criteria for entering into partnerships with the private sector?	No	Not applicable to the Department of Social Development
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Not applicable to the Department of Social Development

Notes

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on the right side, suggesting it's resting on a surface.

PART D

HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

The status of human resources in the department.

As at the end of 2021/22 financial year, the Department of Social Development employs 2 024 staff members appointed on a permanent, contract and temporary. In addition to the full-time staff, additional 165 Interns are paid through PERSAL and included Social Worker Interns, TVET Work Integrated Learners and Graduate Interns appointed through the Developmental programmes. Therefore, the total number of persons on payroll for the year under review is 2 189.

During the financial year, the department prioritised the recruitment of lower level/operational staff at the newly established Charlotte Maxeke Treatment Centre, which was officially launched by His Excellency President Cyril Ramaphosa on 27 April 2021.

It also needs to be reported that the compensation budget was reduced with R101 million during the financial year. As a result, this impacted on the filling of limited posts in Supply Chain Management, and social services professionals. The challenge facing human resources matters is to avert over-expenditure on compensation of employees by means of stringent monitoring of all appointments through regular PERSAL functionality requests to the Provincial Treasury, costed Annual Recruitment Plan.

In order to deal with limited compensation budget, some staff were transferred from less critical areas to the critical areas.

Gender representativity on senior management level comprise of 55% Women vs 45% Males.

During the financial year, four Senior Management Service (SMS) posts were advertised and have not been filled as at the end of financial year, namely:

- Head of Department,
- Chief Director Specialist Social Services
- Director Supply Chain Management, and
- Director NPO Institutional Capacity Building and Support.

The department received R12 million allocation for the recruitment of 200 unemployed Social Worker graduates. This allocation was utilized to pay the stipends for 92 COVID-19 Social Workers who were retained during Phase 1, as well as additional 81 Social Workers who expressed interest and accepted offers of 4-month contract employment.

The department extended the contract appointments of 7 social workers under the Victim Empowerment programme for a period of three years, on earmarked funding. With regards to the implementation of grade progressions, the department concluded grade progressions of the sixty-one (61) cases for 2019/20 during 2020/21 Financial Year. for the 2020/21 financial year the department is currently busy with the cases and progress report will be submitted in the next meeting.

Human resource priorities for the year under review and the impact of these.

The MTEF Human Resources Plan for 2020-2022 was reviewed and amended in line with the DPSA circulars. The department is a labour intensive organisation and the shortage of critical skills is a matter of concern. The

development of a clear Human Resource Plan assists the department's managers to approach HR more strategically, in alignment with the SSP Recruitment and Retention Strategy.

The MTEF 2020-2022 identified the following five (5) priorities:

HR Priority	Impact
Organizational Development and Design (Organizational structure review)	The current organisational structure was approved on the 30th September 2013 and this is mostly aligned to the Generic Functional Structure as developed for the Department of Social Development during 2011. During the financial year under review, the department commenced the organizational structure review. The process is at an advanced stage.
Recruitment, Selection and Evaluation	The unavailability of critical skills invariably impacts on service delivery. Without requisite skills, the department will not be able to deliver on its mandate
Training and Development	People development is important because it will ensure that employees possess the necessary competencies to deliver services. Skilled employees will contribute to improved service delivery and mobility as per career development needs.
Employment Equity	This objective is aimed at realizing a workforce that is representative of the Free State population, through active implementation of the AA measures in the approved EE Plan and continuous effort to improve employment equity. Whilst the department is doing relatively well, there is a need to ensure representation of LGBTQI community
Employee health and wellness	Any employer of choice is measured against the success of the employee health and wellness programme. Departmentally this programme which relies on close co-operation with line management seeks to achieve a healthy and productive workforce. During 2020/21, the department operated under the State of Disaster

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

Some key strategies to recruit the capable workforce include the social work scholarship programme. The department participates in the national scholarship programme for social workers, which has positively contributed towards access to higher education with ultimate improvement in socio-economic conditions of beneficiaries and their families. In this regard, out of the remaining 30 scholarship recipients remaining in the programme, 25 students completed their studies.

In accordance with PHSDSBC Resolution 3 of 2009, the Occupation-Specific Dispensation (OSD) for Social Service Professionals was pursued to address disparities within the social work professions and also provides for career progression through grade advancement based on experience. This staff retention measure is one of the mechanisms being pursued by the department.

Employee performance management.

The Department has implemented the Performance Management Development System (PMDS) to contract and assess staff against the performance of the Department. Outstanding achievers were awarded notch increments and performance bonuses based on annual assessments. This provides a platform to recognise and incentivise outstanding performance in the department.

For the financial year under review (2021/22 financial year) a total rand value of R 3.613 million was paid as Performance awards.

As per DPSA Circular's 15 of 2021 and 19 of 2021, pay progression (notch progression) was not implemented for all levels.

Employee wellness programmes.

During the year under review, the Department of Social Development, by virtue of its mandate, is among the departments tasked to act on the magnitude of the events in relation to the spread of the COVID-19 virus.

The Employee Wellness Programme was coordinated and managed in the Department with the support of Senior Management.

NATURE OF CASES	NUMBER OF CASES
Wellness Management and Health and Productivity Management Policies	
Employees who received psycho-social therapy	168
Work related illnesses reported and investigated	340
Mental Health and/ Stress related cases	124

Highlight achievements and challenges faced by the department, as well as future human resource plans /goals.

The DSD Employer implemented Vaccination audit monthly. As at 31 October 2021, 1397 out of 2 189 staff members confirmed to have vaccinated.

With regards to training and development of staff, the following needs to be noted:

Departmental HRD Project	Detail of projects
Training interventions	The department established a Departmental Training Committee and fully complies with the skills development framework. Workplace Skills Plan approved
Departmental Bursaries for Employees	Twelve (12) employees awarded part-time bursaries.
HWSETA Bursaries for Employees	HWSETA funded ten (10) employees bursaries.
Graduate Internships (Departmental)	Twenty (20) graduate Interns funded by the department appointed for the period 1 December 2021-30 November 2023 (24 months).
Graduate Internships (HWSETA funded)	Twenty (20) graduate Interns funded by HWSETA appointed for the period 1 April 2021-31 March 2023 (24 months).
Social Work Scholarship Programme	A total number of 25 SCHOLARSHIP Recipients continued their studies during 2021. Of these, twenty (20) completed their studies. Only 5 did not complete. The scholarship produced 598 graduates since inception
TVET Learnerships	Thirty (30) TVET Learners appointed on a learnership for a period of 18-months. Period of learnership 01 April 2021-30 September 2022. Funding provided by HWSETA

With regards to future human resources goals, the transfer of the early Childhood Development (ECD) to the Department of Education will necessitate transfer of staff that include social workforce, Community Development Practitioners, Technical Officers and other Admin staff. This will necessitate revision of working arrangements as a result of reduced workforce.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2021 and 31 March 2022

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Number of posts filled	Average personnel cost per employee (R'000)
Administration	331 960	221 301	0	0	67	547	404
Social Welfare Services	244 120	132 909	0	0	54	323	411
Children and Families	585 444	142 041	0	0	24	351	404
Restorative Services	197 921	166 001	0	0	84	449	369
Development & Research	148 525	115 653	0	0	78	354	326
Total	1 507 970	781 905	0	0	52	*2 024	386

*Total excludes 165 on Internship and learnerships (Abnormal Appointments)

Table 3.1.2 Personnel costs by salary band for the period 1 April 2021 and 31 March 2022

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)	75 993	10	173	439 266
Skilled (level 3-5)	198 969	26	914	217 690
Highly skilled production (levels 6-8)	278 608	36	645	431 950
Highly skilled supervision (levels 9-12)	167 496	21	226	741 133
Senior and Top management (levels 13-16)	33 245	4	25	1 329 800
Contract	21 603	3	41	526 902
Total	775 914		*2 024	

*Total excludes 165 on Internship and learnerships (Abnormal Appointments)

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2021 and 31 March 2022

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
Administration	177 064	78.20	3 342	1.50	8 442	3.70	16 869	7.50
Social Welfare Services	105 181	78.10	1 492	1.10	4 938	3.70	10 695	7.90
Children & Families	111 538	77.80	1 290	0.90	5 720	4.00	11 287	7.90
Restorative Services	129 747	77.30	1 676	1.00	6 508	3.90	14 237	8.50
Development & Research	89 371	75.50	291	0.20	5 974	5.00	10 779	9.10
Total	*612 901	77.50	8 091	1.00	3 181	4.00	63 868	8.10

*The total Personnel cost per programme does not include all items reported under CoE costs, e.g. employer contribution on pension

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2021 and 31 March 2022

Salary band	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)	51 808	68.10	336	0.40	5 838	7.70	11 216	14.70
Skilled (level 3-5)	141 132	70.80	4 345	2.20	11 235	5.60	24 954	12.50
Highly skilled production (levels 6-8)	217 266	77.90	2 813	1.00	10 623	3.80	21 035	7.50
Highly skilled supervision (levels 9-12)	141 394	83.60	558	0.30	3 401	2.00	6 124	3.60
Senior management (level 13-16)	29 565	87.10	0	0	467	1.40	352	1.00
Contracts	20 577	95.98	39	0.17	18	0.50	186	0.57
Abnormal Appointments	11 159	99.90	0	0	0	0	0	0
Total	612 901	77.50	8 091	1	31 581	4	63 868	8.10

3.2 Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2022

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate as % to establishment	Number of employees additional to the establishment
Administration	752	547	27	3
Social Welfare	385	323	16	9
Children and Family	430	351	18	2
Restorative Services	551	449	18	3
Development and Research	429	354	17	0
Total	2 718	*2024	25.5	17
*Total excludes 165 on Internship and learnerships (Abnormal Appointments)				

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2022

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate as % to establishment	Number of employees additional to the establishment
Lower skilled (1-2)	246	173	29	1
Skilled (3-5)	1117	914	18	10
Highly skilled production (6-8)	809	645	20	1
Highly skilled supervision (9-12)	333	226	32	0
Senior management (13-16)	42	25	40	0
Contracts	41	41	0	5
Total	2 718	2 024	25.5	17

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2022

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate as % to establishment	Number of employees additional to the establishment
Administrative related, permanent	238	140	41,2	2
Auxiliary and related workers, permanent	109	95	12,8	6
Building and other property caretakers, permanent	3	3	0	0
Cleaners in offices workshops hospitals etc., permanent	189	173	8,5	0
Client inform clerks(switchboard receipt inform clerks), permanent	17	13	23,5	0
Communication and information related, permanent	7	6	14,3	0
Community development workers, permanent	118	86	27,1	0
Computer programmers., permanent	1	1	0	0
Finance and economics related, permanent	29	8	72,4	0
Financial and related professionals, permanent	17	9	47,1	0
Financial clerks and credit controllers, permanent	48	43	10,4	0
Food services aids and waiters, permanent	12	12	0	0
Head of department/chief executive officer, permanent	1	0	100	0
Household and laundry workers, permanent	8	8	0	0
Household food and laundry services related, permanent	31	17	45,2	0
Housekeepers laundry and related workers, permanent	3	3	0	0
Human resources & organisat developm & relate prof, permanent	5	5	0	0
Human resources clerks, permanent	21	16	23,8	0
Human resources related, permanent	11	4,00	63,6	0
Information technology related, permanent	10	7	30	0
Legal related, permanent	2	0	100	0
Library mail and related clerks, permanent	10	10	0	0
Light vehicle drivers, permanent	20	18	10	0
Logistical support personnel, permanent	18	9	50	0
Material-recording and transport clerks, permanent	18	11	38,9	0
Medical practitioners, permanent	1	0	100	0
Messengers porters and deliverers, permanent	253	235	7,1	1
Nursing assistants, permanent	30	22	26,7	3
Occupational therapy, permanent	4	3	25	0
Other administrat & related clerks and organisers, permanent	201	88	56,2	0
Other administrative policy and related officers, permanent	25	25	0	0
Other information technology personnel., permanent	4	4	0	0
Other occupations, permanent	1	1	0	0
Probation workers, permanent	3	3	0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate as % to establishment	Number of employees additional to the establishment
Professional nurse, permanent	29	19	34,5	0
Psychologists and vocational counsellors, permanent	1	1	0	0
Risk management and security services, permanent	6	0	100	0
Secretaries & other keyboard operating clerks, permanent	22	18	18,2	0
Security guards, permanent	9	9	0	0
Security officers, permanent	380	281	26,1	0
Senior managers, permanent	21	16	23,8	1
Social sciences related, permanent	5	5	0	0
Social sciences supplementary workers, permanent	74	74	0	0
Social work and related professionals, permanent	570	437	23,3	4
Staff nurses and pupil nurses, permanent	10	9	10	0
Trade/industry advisers & other related profession, permanent	2	0	100	0
Youth workers, permanent	121	77	36,4	0
TOTAL	2 718	2 024	25,5	17

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0	1	100
Salary Level 16	1	1	100	0	0
Salary Level 15	0	0	0	1	0
Salary Level 14	8	5	62	3	37
Contract (Level 14)	0	1	0	0	0
Salary Level 13	33	22	67	11	33
Total	43	29	67	16	37

Table 3.3.2 SMS post information as on 30 September 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0	1	100
Salary Level 16	1	1	100	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	8	5	62	3	37
Contract (Level 14)	0	1	0	0	0
Salary Level 13	33	22	67	11	33
Total	43	29	67	16	37

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2021 and 31 March 2022

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	0	0	0
Total	0	0	0

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within twelve months
None

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within six months
None

3.4 Job Evaluation

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2021 and 31 March 2022

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)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0	0
Senior Management Service Band A	1	1	0	0	0	0	0

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
Senior Management Service Band B	1	1	0	0	0	0	0
Senior Management Service Band C	0	0	0	0	0	0	0
Senior Management Service Band D	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	2	2	0	0	0	0	0

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2021 and 31 March 2022

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	0
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Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2021 and 31 March 2022

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	0
Total	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				
Percentage of total employed				0

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2021 and 31 March 2022

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	0
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Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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3.5 Employment Changes

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2021 and 31 March 2022

Salary band	Number of employees at beginning of period 1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	383	24	7	1.8
Skilled (Levels3-5)	706	32	39	5.5
Highly skilled production (Levels 6-8)	676	10	22	3.2
Highly skilled supervision (Levels 9-12)	239	3	9	3.7
Senior Management Service Bands A	21	0	0	0
Senior Management Service Bands B	6	0	0	0
Senior Management Service Bands C	0	0	0	0
Senior Management Service Bands D	1	0	0	0
Contracts	1	0	0	0
Total	*2 034	69	77	3.80

*Total excludes abnormal appointments (Internship and Learnership programme).

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2021 and 31 March 2022

Critical occupation	Number of employees at beginning of period April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate as % to number appointed in the beginning
Administrative Related Permanent	144	3	11	7.6
Auxiliary And Related Workers Permanent	103	0	8	7.8
Building And Other Property Caretakers Permanent	3	0	0	0
Cleaners In Offices Workshops Hospitals Etc. Permanent	170	11	7	4.1
Client Inform Clerks(Switchb Recept Inform Clerks) Permanent	13	0	0	0
Communication And Information Related Permanent	6	0	0	0
Community Development Workers Permanent	87	1	2	2
Computer Programmers. Permanent	1	0	0	0
Finance And Economics Related Permanent	5	2	0	0
Financial And Related Professionals Permanent	9	0	0	0
Financial Clerks And Credit Controllers Permanent	56	0	2	3.6
Food Services Aids And Waiters Permanent	6	7	2	33.3
Household And Laundry Workers Permanent	12	0	4	33.3
Household Food And Laundry Services Related Permanent	16	1	0	0
Housekeepers Laundry And Related Workers Permanent	3	0	0	0
Human Resources & Organisat Developm & Relate Prof Permanent	5	0	0	0
Human Resources Clerks Permanent	16	0	1	6.3
Human Resources Related Permanent	4	0	0	0
Information Technology Related Permanent	7	0	0	0
Library Mail And Related Clerks Permanent	10	0	0	0
Light Vehicle Drivers Permanent	17	1	1	5.9
Logistical Support Personnel Permanent	9	2	2	22.2

Critical occupation	Number of employees at beginning of period April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate as % to number appointed in the reporting period
Material-Recording And Transport Clerks Permanent	10	0	1	10
Messengers Porters And Deliverers Permanent	236	4	7	3
Nursing Assistants Permanent	23	0	1	4.3
Occupational Therapy Permanent	2	1	0	0
Other Administrat & Related Clerks And Organisers Permanent	83	2	3	3.6
Other Administrative Policy And Related Officers Permanent	33	0	2	6.1
Other Information Technology Personnel, Permanent	4	0	0	0
Other Occupations Permanent	1	0	0	0
Probation Workers Permanent	3	0	0	0
Professional Nurse Permanent	22	0	2	9.1
Psychologists And Vocational Counsellors Permanent	1	0	0	0
Secretaries & Other Keyboard Operating Clerks Permanent	21	0	3	14.3
Security Guards Permanent	9	0	0	0
Security Officers Permanent	284	2	6	2.1
Senior Managers Permanent	16	0	0	0
Social Sciences Related Permanent	5	0	0	0
Social Sciences Supplementary Workers Permanent	7	0	2	2.6
Social Work And Related Professionals Permanent	442	6	8	1.8
Staff Nurses And Pupil Nurses Permanent	4	4	0	0
Trade Related Permanent	1	0	1	100
Youth Workers Permanent	56	22	1	1.8
TOTAL	*2 034	69	77	3.8
*Total excludes abnormal appointments (Internship and Learnership programme).				

Table 3.5.3 Reasons why staff left the department for the period 1 April 2021 and 31 March 2022

Termination Type	Number	% of Total Resignations
Death	12	15.6
Resignation	13	16.9
Expiry of contract	18	23.4
Dismissal – operational changes	0	0
Dismissal – misconduct	3	3.9
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	31	40.3
Transfer to other Public Service Departments	0	0
Other	0	0
Total	77	100
Total number of employees who left as a % of total employment	3.8	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2021 and 31 March 2022

Occupation	Employees 1 April 2021	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
Administrative Related	144	7	4.90	142	98.60
Auxiliary & Related Workers	103	0	0	97	94.20
Building & Other Property Care Takers	3	0	0	3	100
Cleaners in Offices Workshops Hospitals etc	170	0	0	178	104.70
Client informed clerks (Switchboard Receipt)	13	0	0	13	100
Communication & Inform Related	6	0	0	6	100
Comm Dev Workers	87	0	0	85	97.70
Computer Prgms	1	0	0	1	100
Finance & Econ Related	5	1	20	5	100
Financial & Related Profns	9	0	0	9	100
Financial Clerks & Credit Cntr	56	0	0	43	76.80
Food Service Aid & Waiters	6	0	0	12	200
Household & Laundry Workers	12	0	0	8	66.70
Household Food& Laundry Serv	16	1	6.30	17	106.30
Housekeepers Laundry & Rel Workers	3	0	0	3	10
Human Resources & Org Dev & Rel,	5	0	0	5	10
Human Resources Clerks	16	0	0	16	100
Human Resources Rel	4	0	0	4	100
Inf. Tech Related	7	0	0		100
Library Mail & Rel. Clerks	10	0	0	10	100
Light Vehicle Drivers	17	10	5.90	18	105.90
Logistical Sup. Personnel	9	0	0	7	77.80
Material-Record &Trans Clerks	10	1	10	14	140
Messengers Porters & Deliverers	23	0	0	240	101.70
Nursing Assistants	23	0	0	22	95.70
Occupational Therapy	2	0	0	3	150
Other Admin. & Rel Clerks & Org	83	1	120	94	113.30
Other Admin. Policy & Related Office	33	0	0	26	78.80
Other inf. Tech. Personnel	4	0	0	4	100
Other Occupations	1	0	0	0	0
Probation Workers	3	0	0	3	100
Professional Nurse	22	0	0	21	95.50
Psychologists & Vocational Counsellors	1	0	0	1	100

Occupation	Employees 1 April 2021	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
Secretaries & Other Keyboard Operating Clerk	21	0	0	19	90.50
Security Guards	9	0	0	9	100
Security Officers	284	0	0	280	98.60
Senior Managers	16	0	0	16	10
Social Science Related	5	0	0	5	100
Social Sciences Supp. Workers	76	0	0	75	98.70
Social Work & Rel	442	2	0.50	438	99.10
Staff Nurses & Pupil Nurses	4	0	0	8	200
Trade Related	1	0	0	0	0
Youth Workers	56	0	0	79	141.10
Total	2034	14	0.70	*2 046	100.60

*High number because of implementation of Grade progressions (OSD and Non-OSD) and upgrading of 216 Ex-Masupatsela Pioneers

Table 3.5.5 Promotions by salary band for the period 1 April 2021 and 31 March 2022

Salary Band	Employees 1 April 2021	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)	383	0	0	170	142.20
Skilled (Levels 3-5)	706	10	1.50	940	201.60
Highly skilled production (Levels 6-8)	676	4.00	0.60	672	189.70
Highly skilled supervision (Levels 9-12)	239	0	0	236	198.70
Senior Management (Level 13-16)	29	0	0	28	196
Other	1	0	0	0	0
Total	2034	14	0.70	2 046	100.60

*High number because of implementation of Grade progressions (OSD and Non-OSD) and upgrading of 216 Ex-Masupatsela Pioneers

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	6	1	0	0	9	1	0	0	17
Professionals	152	1	0	1	471	15	0	13	653
Technicians and associate professionals	121	3	0	2	222	5	0	11	364
Clerks	67	1	1	2	114	4	0	10	199
Service and sales workers	195	2	0	0	143	1	0	0	341
Labourers and Related Workers	122	3	0	0	303	2	0	0	430

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Craft and related trades workers	2	0	0	0	0	0	0	0	2
Plant and machine operators and assemblers	18	0	0	0	0	0	0	0	18
Total	683	11	1	5	1262	28	0	34	*2 024
Employees with disabilities	52	0	0	0	52	0	0	1	105

*Excluding Abnormal Appointments

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	11	1	0	0	15	1	0	0	28
Professionally qualified and experienced specialists and mid-management	65	1	0	2	145	8	0	12	233
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	187	0	1	3	4440	13	0	20	664
Semi-skilled and discretionary decision making	377	9	0	0	527	6	0	2	921
Unskilled and defined decision making	41	0	0	0	134	0	0	0	175
Not Available	2	0	0	0	0	0	0	0	2
Total	683	11	1	5	1262	28	0	34	2024

Table 3.6.3 Recruitment for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	3	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	4	0	0	0	6	0	0	0	10
Semi-skilled and discretionary decision making	9	0	0	0	23	0	0	0	32
Unskilled and defined decision making	7	0	0	0	17	0	0	0	24
Total	20	0	0	0	49	0	0	0	69
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	8	1	0	0	14	1	0	0	24
Professionally qualified and experienced specialists and mid-management	63	1	0	2	143	8	0	12	229
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	185	0	1	3	435	14	0	20	658
Semi-skilled and discretionary decision making	381	9	0	0	539	7	0	2	938
Unskilled and defined decision making	41	0	0	0	128	0	0	0	169
Contract	14	0	0	0	28	0	0	0	42
Total	692	11	1	5	838	30	0	34	2060
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	2	0	0	0	6	0	0	1	9
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	7	0	0	0	15	0	0	0	22
Semi-skilled and discretionary decision making	9	1	0	0	28	1	0	0	39
Unskilled and defined decision making	2	0	0	0	5	0	0	0	7
Total	20	1	0	0	54	1	0	1	77
Employees with Disabilities	3	0	0	0	2	0	0	0	5

Table 3.6.6 Disciplinary action for the period 1 April 2021 to 31 March 2022

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
No outcome (Pending finalization)	1	0	0	0	1	0	0	0	2
Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
TOTAL	1	0	0	0	1	0	0	0	2

Table 3.6.7 Skills development for the period 1 April 2021 to 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	3	0	0	0	2	0	0	0	5
Professionals	7	0	0	0	8	0	0	0	15
Technicians and associate professionals	18	0	0	0	17	0	0	0	35
Clerks	21	0	0	0	21	0	0	0	42
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	1	0	0	0	1
Elementary occupations	15	1	0	0	21	0	0	0	37
Total	64	1	0	0	70	1	0	0	135
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.7 Signing of Performance Agreements by SMS Members**Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2021**

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of members
Director-General/ Head of Department	1	0	0	100
Salary Level 16	0	0	0	0
Salary Level 15	0	0	0	0
Salary Level 14	6	6	5	83
Salary Level 13	26	26	24	92
Total	33	32	29	91

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 May 2021

Reasons
Late submission of Performance agreements.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 May 2021

Reasons
None

3.8 Performance Rewards

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2021 to 31 March 2022

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	94	631	14.9	1 068	11 366
Female	188	1210	15.5	2 074	11 035
Asian					
Male	1	1	100	11 944	11 944
Female	0	0	0	0	0
Coloured					
Male	0	11	0	0	0
Female	8	28	28.6	177	22 144
White					
Male	1	5	20	12	12 124
Female	8	33	24.2	122	15 255
Employees with disability	3	105	2.9	31	10 387
Total	303	2 024	15	3 497	11 543

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2021 to 31 March 2022

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)	44	173	25.4	182	4 151
Skilled (level 3-5)	72	914	7.9	424	5 897
Highly skilled production (level 6-8)	117	645	18.1	1 259	10 762
Highly skilled supervision (level 9-12)	63	226	27.9	1 464	23 251
Contracts	5	37	7.08	42	3 057
Total	301	1 995	15.1	3 373	11 209

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2021 to 31 March 2022

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial Clerks & Credit Cntr, Perm	14	43	32.60	109	7772
Household Food & Landry Servs related	0	17	0	0	0
Human Resources Clerks	7	16	43.80	52	7512
Security Officers	29	281	10.70	229	7628
Household & Landry Workers	0	8	0	0	0
Messengers Porters & Deliverers	28	235	11.90	125	4453

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Human Resources OD & Related Prof	4	5	80	67	16847
Social Science Related	2	5	40	78	39195
Logistical Personnel	3	9	33.30	33.88	11294
Finance & Economic Related	1	8	12.50	19.11	19112
Other Admin & Related Clerks Org	16	88	18.20	142.69	8918
Housekeepers Laundry & Related Workers	0	3	0	0	0
Auxiliary Related Workers	3	95	3.20	17.87	5956
Other Occupations	0	1	0	0	0
Financial & Related Professionals	4	9	44.40	82.12	20530
Probation Workers	0	3	0	0	0
Building & other property caretakers	1	3	33.30	4.83	4833
Occupational Therapy	0	3	0	0	0
Social Sciences Supply Workers	6	74	8.10	37.77	6295
Administrative Related	30	140	21.40	661.21	22040
Communication & information Related	2	6	33.30	19	9501
Secretaries & Keyboard Operators	5	18	27.80	44.44	8888
Cleaners in offices Workshop Hospitals	24	173	13.90	101.15.	4214
Library Mail & Related Clerks	0	10	0	0	0
Human Resources Related	1	4	25	6.85	6849
Computer Programmers	0	1	0	0	0
Social Worker Related & Professionals	69	437	15.80	1035.11	15002
Youth Workers	0	77	0	0	0
Material Recording & Transport Clerk	5	11	45.50	48.05	9610
Psychologist & Vocational councillors	0	1	0	0	0
Other Admin & Related Officers	9	25	36.00	126.49	14055
Professional Nurse	5	19	26.30	84.01	16801
Senior Managers	1	16	6.30	62.27	62275
Client Inform Clerks (Switchboard Reception Clerks)	1	13	7.70	6.65	6648
Other Information Tech Personnel	4	4	1	42.96	10741
Light Vehicle Drivers	3	18	16.70	16.52	5506
Security Guards	0	9	0	0	0
Food Service Aid & Waiters	4	12.00	33.30	17.07	4267

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Nursing Assistants	222	22	9.10	10.75	5361
Community Dev workers	17	86	19.80	197.15	11597
Information Tech & Related	1	7	14.30	9.01	9013
Staff Nurses & Pupil Nurses	0	9	0	0	0
Total	302	2024	15	3497	11543

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2021 to 31 March 2022

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	2	22	9.10	123.63	61 814	0.40
Band B	0	6	0	0	0	0
Band C	0	0	0	0	0	0
Band D	0	1	0	0	0	0
Total	2	29	6.90	123.63	61 814	0.30

3.9 Foreign Workers

Table 3.9.1 Foreign workers by salary band for the period 1 April 2021 and 31 March 2022

Salary band	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	1	10	1	8.30	0	0
Highly skilled production (Lev. 6-8)	3	30	3	25	0	0
Highly skilled supervision (Lev. 9-12)	6	60	6	50	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
Other	0	0	2	16.70	2	100
Total	10	100	12	100	2	100

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2021 and 31 March 2022

Major occupation	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Administrative Officers	0	0	1	8.3	1	50
Professionals & Managers	10	100	11	91.7	1	50
Total	10	100	12	100	2	100

3.10 Leave utilisation**Table 3.10.1 Sick leave for the period 1 January 2021 to 31 December 2021**

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 Skills (Level 1-2)	1 629	81.9	243	18.6	7	598
Skilled (levels 3-5)	3 334	173	471	36.2	13	2 760
Highly skilled production (levels 6-8)	2 864	170.3	413	31.7	14	4 233
Highly skilled supervision (levels 9 -12)	1 159	177.2	158	12.1	15	3 055
Top and Senior management (levels 13-16)	112	175.9	18	1.4	12	515
Total	9 098	82.7	1 303	100	7	11 521

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2021 to 31 December 2022

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)	0	0	0	0	0	0
Skilled (Levels 3-5)	46	100	6	54.5	8	35
Highly skilled production (Levels 6-8)	45	100	4	36.4	11	82
Highly skilled supervision (Levels 9-12)	38	100	1	9.1	38	116
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	129	100	11	100	12	233

Table 3.10.3 Annual Leave for the period 1 January 2021 to 31 December 2021

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	7 680	376	20
Skilled Levels 3-5)	14 935	675	22
Highly skilled production (Levels 6-8)	15 470	647	24
Highly skilled supervision (Levels 9-12)	6 271	230	27
Senior management (Levels 13-16)	537	23	23
Contracts	496	36	13.7
Total	45 389	1 987	23

Table 3.10.4 Capped leave for the period 1 January 2021 to 31 December 2021

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 on 31 March 2022
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	2	1	2	31
Highly skilled production (Levels 6-8)	1	1	1	30
Highly skilled supervision (Levels 9-12)	9	4	2	18
Senior management (Levels 13-16)	2	1	2	36
Total	14	7	2	27

Table 3.10.5 Leave payouts for the period 1 April 2021 and 31 March 2022

Reason	Total amount (R'000)	Number of employees	Average per employee (R)
Leave pay-outs for 2021/22 due to non-utilisation of leave for the previous cycle	145	2	72 500
Capped leave pay-outs on termination of service for 2021/22	387	14	27 643
Current leave pay-outs on termination of service for 2021/22	1 970	69	57 720
Total	2 501		
Leave Payouts (Actual) Allowance	2 445	59	

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 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
None	

Table 3.11.2 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		Mr F Finger
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		4
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		All four pillars of the Policy
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		Occupational Health and Safety Committees in all offices
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		HIV Policy COVID-19 guidelines
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Policy guidelines
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		Conducted Wellness fairs within the Dept and open opportunities for workplace testing
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Health and Wellness fairs in the Dept and established Committees

3.12. Labour Relations***Table 3.12.1 Collective agreements for the period 1 April 2021 and 31 March 2022***

Subject matter	Date
Resolution 1 of 2022, Agreement on the Provision of uniform allowance PHSDCBC	14/02/2022
Resolution 2 of 2022, Agreement on the Token of Appreciation in the PHSDSBC	14/02/2022
Resolution 2 of 2021, Amendment to PHSDSBC 3 of 2011, Agreement on the appointment of full-time shop steward and office bearers	02/11/2021

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2021 and 31 March 2022

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	1
Verbal warning	3	9
Written warning	13	38,2
Final written warning	9	26,4
Suspended without pay	2	6
Fine	0	0
Demotion	0	0
Dismissal	4	12
Not guilty	1	1
Case withdrawn	1	1
Total	34	95

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2021 and 31 March 2022

Type of misconduct	Number	% of total
Irregular Expenditure	16	50
Abscondment	4	13
Fraud	1	3.125
Negligence	1	3.125
Absenteeism	3	9,3
Contravention of policy	7	22
Total	32	100

Table 3.12.4 Grievances logged for the period 1 April 2021 and 31 March 2022

Grievances	Number	% of Total
Number of grievances resolved	28	87
Number of grievances not resolved	4	13
Total number of grievances lodged	32	100

Table 3.12.5 Disputes logged with Councils for the period 1 April 2021 and 31 March 2022

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	1	1
Total number of disputes lodged	1	100

Table 3.12.6 Strike actions for the period 1 April 2021 and 31 March 2022

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

Table 3.12.7 Precautionary suspensions for the period 1 April 2021 and 31 March 2022

Number of people suspended	3
Number of people who's suspension exceeded 30 days	1
Average number of days suspended	197
Cost of suspension(R'000)	185

3.12 Skills development

Table 3.13.1 Training needs identified for the period 1 April 2021 and 31 March 2022

Occupational category	Gender	Number of employees as at 1 April 2021	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training (seminars, bursaries, RPL)	Total
Legislators, senior officials and managers	Female	10	0	28	2	30
	Male	7	0	9	1	10
Professionals	Female	480	0	98	1	99
	Male	150	0	49	0	49
Technicians and associate professionals	Female	256	0	352	2	354
	Male	134	0	210	3	213
Clerks	Female	135	35	112	0	147
	Male	74	14	62	0	76
Service and sales workers	Female	143	0	210	0	210
	Male	199	0	177	0	177
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	5	0	5
	Male	1	0	10	0	10

Occupational category	Gender	Number of employees as at 1 April 2021	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training (seminars, bursaries, RPL)	Total
Plant and machine operators and assemblers	Female	0	0	1	0	1
	Male	17	0	0	0	0
Elementary occupations	Female	305	0	90	13	103
	Male	123	0	54	9	63
Sub Total	Female	1 328	0	927	17	940
	Male	705	0	576	14	589
Total		2 034	49	1 467	31	1 547

Table 3.13.2 Training provided for the period 1 April 2021 and 31 March 2022

Occupational category	Gender	Number of employees as at 1 April 2021	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	10	0	1	1	2
	Male	7	0	2	1	3
Professionals	Female	480	0	7	1	8
	Male	150	0	7	0	7
Technicians and associate professionals	Female	256	0	16	2	18
	Male	134	0	14	3	17
Clerks	Female	135	0	21	0	21
	Male	74	0	21	0	21
Service and sales workers	Female	143	0	0	0	0
	Male	199	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	1	0	0	0	0

Occupational category	Gender	Number of employees as at 1 April 2021	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Plant and machine operators and assemblers	Female	0	0	1	0	1
	Male	17	0	0	0	0
Elementary occupations	Female	305	0	8	13	21
	Male	123	0	7	9	16
Sub Total	Female	1328	0	53	17	70
	Male	705	0	52	13	65
Total		2 034	0	105	30	135

3.13 Injury on duty

Table 3.14.1 Injury on duty for the period 1 April 2021 and 31 March 2022

Nature of injury on duty	Number	% of total
Required basic medical attention only	15	93.7
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	1	6.3
Total	16	100

3.14 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2021 and 31 March 2022

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Health Risk Management	One (1)	Per cases submitted, over 12 months	R288 000.00

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None			

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None			

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2021 and 31 March 2022

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
None			

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None			

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None			

3.15 Severance Packages**Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2021 and 31 March 2022**

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

Notes

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on the right side, suggesting it's resting on a surface.



PART E

FINANCIAL INFORMATION

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Report of the auditor-general to the Free State Provincial Legislature on vote no. 7: Department of Social Development

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Social Development set out on pages 113 to 172, which comprise the appropriation statement, statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. 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 2022, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty relating to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. As disclosed in note 34 to the financial statements, the department has significant outstanding accruals of R91 647 000. The department has budgeted to pay R30 000 000 of the amount owed to these non-profit organisations (NPOs) in the financial year ended 31 March 2023. These events or conditions, along with other matters as set forth in note 34, indicate that a

material uncertainty exists that may cast significant doubt on the department's ability to continue as a going concern.

Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Irregular expenditure

9. As disclosed in note 23 to the financial statements, the department incurred irregular expenditure of R16 986 000 (2021: R51 662 000) due to non-compliance with supply chain management (SCM) requirements and the payment of compensation to employees in contravention of the Public Services Act 103 of 1994 and its regulations. In addition, the full extent of irregular expenditure is still in the process of being determined.

Underspending of conditional grant

10. As disclosed in note 35 to the financial statements, the department materially underspent the early childhood development (ECD) grant by R25 187 000. This was because of delays in the confirmation of land for the construction of the new ECD centre.

Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and 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.
12. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I was engaged to perform procedures to identify findings but not to gather evidence to express assurance.
16. I was engaged to evaluate the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the department's annual performance report for the year ended 31 March 2022:

Programme	Pages in the annual performance report
Programme 3 – children and families	29 - 32

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. The material findings on the usefulness and reliability of the performance information of the selected programme are as follows:

Programme 3 – children and families

Various indicators

19. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of 10 of the 19 indicators relating to this programme. This was due to the lack of accurate and complete records. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report for the indicators listed below:

Indicator description	Reported achievements
Number of children with disabilities accessing registered ECD programmes	149
Number of children subsidized through conditional grant	10 728
Number of children accessing registered ECD programmes	74 818
Number of fully registered ECD centres	174
Number of conditionally registered ECD centres	1 073
Number of registered partial care facilities	45
Number of children accessing registered partial care facilities	755
Number of children and youth in need of care and protection in child and youth care centres	1 183
Number of children reached through community based prevention and early intervention programmes	16 951
Number of child and youth care workers providing community based care services	326

Various indicators

20. The achievements reported in the annual performance report materially differed from the supporting evidence provided for the indicators listed below:

Indicator description	Reported achievements
Number of family members participating in family preservation services	11 754
Number of family members reunited with their families	61
Number of reported cases of child abuse	1 060
Number of children in foster care reunited with their families	36
Number of children with valid foster care orders	24 794
Number of children in child and youth care centres reunified with their families	151

Number of family members participating in parenting skills programme

21. The achievement of 2 756 was reported against target of 3 435 in the annual performance report. However, some supporting evidence provided materially differed from the reported achievement, while in other instances I was unable to obtain sufficient appropriate audit evidence. This was due to the lack of accurate and complete records. I was unable to further confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any further adjustments were required to these reported achievements.

Other matters

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

Achievement of planned targets

23. Refer to the annual performance report on pages 25 to 40; for information on the achievement of planned targets for the year and management explanations provided for the under/ over achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 19 to 21 of this report.

Adjustment of material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 3 – children and families. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

25. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
26. The material findings on compliance with specific matters in key legislation are as follows:

Expenditure management

27. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R16 986 000, as disclosed in note 23 to the annual financial statements, as required by section

38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by non-compliance with the laws and regulations relating to the catering awards.

28. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R12 279 000, as disclosed in note 24 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by interest paid on the outstanding liability to NPOs.

Procurement and contract management

29. Some of the quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of the Preferential Procurement Policy Framework Act 5 of 2020 (PPPFA) and 2017 preferential procurement regulation.
30. Some of the quotations were awarded to bidders based on preference points that were not allocated in accordance with the requirements of the PPPFA and 2017 preferential procurement regulation.

Consequence management

31. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was because not all investigations into irregular expenditure were performed.
32. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA. This was because not all investigations into fruitless and wasteful expenditure were performed.

Strategic planning and performance management

33. Specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by public service regulation 25(1)(e)(i) and (iii).

Transfer of funds

34. Appropriate measures were not maintained to ensure that transfers and subsidies to entities were applied for their intended purposes, as required by treasury regulation 8.4.1.

Other information

35. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the

financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in the auditor's report.

36. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
37. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
38. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

39. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
40. Management's lack of a detailed review of the annual performance report and the underlying records resulted in material misstatements to the report that were not detected by the department's internal processes.
41. The leadership did not adequately monitor and enforce the implementation of the corrective measures included in the audit action plan to address internal control weaknesses relating to performance reporting as well as compliance with the applicable laws and regulations.

Other reports

42. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the

reported performance information or compliance with legislation. The summarised other reports will be included in the auditor's report as follows:

43. The department reported the allegations of procurement irregularities against the previous senior management officials to the Directorate for Priority Crime Investigation (Hawks). The investigation was still in progress at the time of the report.

Auditor-General

Bloemfontein

31 July 2022



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence



ANNUAL FINANCIAL STATEMENTS

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Appropriation per programme									
	2021/2022							2020/2021	
	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
Programme									
1. Administration	320,830	-	11,242	332,072	331,960	112	100.0%	325,401	325,384
2. Social Welfare Services	250,992	-	(6,761)	244,231	244,120	111	100.0%	255,268	254,769
3. Children and Families	609,649	-	621	610,270	585,444	24,826	95.9%	583,747	535,315
4. Restorative Services	202,403	-	(3,869)	198,534	197,921	613	99.7%	178,955	177,939
5. Development and Research	149,865	-	(1,233)	148,632	148,525	107	99.9%	176,918	176,012
Programme subtotal	1,533,739	-	-	1,533,739	1,507,970	25,769	98.3%	1,520,289	1,469,419
TOTAL	1,533,739	-	-	1,533,739	1,507,970	25,769	98.3%	1,520,289	1,469,419

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

	2021/2022		2020/2021	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts				
NRF Receipts				
Aid assistance				
Actual amounts per statement of financial performance (total revenue)	1,533,739		1,520,289	
ADD				
Aid assistance				
Prior year unauthorised expenditure approved without funding				
Actual amounts per Statement of Financial Performance Expenditure		1,507,970		1,469,419

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Appropriation per economic classification									
	2021/2022							2020/2021	
	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
Economic classification									
Current payments	898,159	-	472	898,631	894,464	4,167	99.5%	912,143	908,655
Compensation of employees	773,750	-	4,912	778,662	777,905	757	99.9%	736,334	735,422
Salaries and wages	671,554	-	(20,393)	651,161	649,747	1,414	99.8%	623,567	614,000
Social contributions	102,196	-	25,305	127,501	128,158	(657)	100.5%	112,767	121,422
Goods and services	118,873	-	(9,640)	109,233	105,823	3,410	96.9%	154,528	151,952
Administrative fees	3,909	-	(3,630)	279	226	53	81.0%	1,742	1,637
Advertising	324	-	(4)	320	221	99	69.1%	1,469	932
Minor assets	1,426	-	(634)	792	755	37	95.3%	3,432	911
Audit costs: External	14,487	-	(5,008)	9,479	9,479	-	100.0%	6,590	7,289
Bursaries: Employees	449	-	-	449	219	230	48.8%	510	456
Catering: Departmental activities	596	-	(118)	478	467	11	97.7%	470	416
Communication	1,815	-	2,604	4,419	4,217	202	95.4%	1,653	4,231
Computer services	15,576	-	(503)	15,073	14,196	877	94.2%	14,435	13,923
Consultants: Business and advisory services	807	-	(26)	781	897	(116)	114.9%	667	633
Infrastructure and planning services			42	42	42	-	100.0%	-	-
Legal services	1,903	-	-	1,903	1,330	573	69.9%	359	358
Contractors	1,877	-	(1,463)	414	335	79	80.9%	1,035	721
Agency and support / outsourced services	16,899	-	(8,600)	8,299	15,308	(7,009)	184.5%	25,336	31,331
Entertainment	6	-	-	6	5	1	83.3%	8	6

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Fleet services	4,310	-	4,810	9,120	10,167	(1,047)	111.5%	8,840	8,740
Inventory: Clothing material and accessories	10	-	-	10	-	10	-	-	-
Inventory: Food and food supplies	658	-	(88)	570	184	386	32.3%	6,118	5,644
Inventory: Materials and supplies	2	-	-	2	-	2	-	28,948	28,948
Inventory: Other supplies	359	-	-	359	359	-	100.0%	-	2,463
Consumable supplies	8,176	-	(880)	7,296	5,862	1,434	80.3%	13,499	9,531
Consumable: Stationery, printing and office supplies	3,028	-	(731)	2,297	1,403	894	61.1%	3,226	1,835
Operating leases	10,148	-	6,176	16,324	17,100	(776)	104.8%	14,287	14,722
Property payments	22,664	-	(356)	22,308	15,919	6,389	71.4%	12,980	9,335
Travel and subsistence	6,620	-	(1,095)	5,525	4,364	1,161	79.0%	4,618	2,976
Training and development	1,158	-	(15)	1,143	1,133	10	99.1%	872	875
Operating payments	1,537	-	(101)	1,436	1,517	(81)	105.6%	1,046	1,651
Venues and facilities	129	-	(20)	109	118	(9)	108.3%	2,388	2,388
Interest and rent on land	5,536	-	5,200	10,736	10,736	-	100.0%	21,281	21,281
Interest (Incl. interest on unitary payments (PPP))	5,536	-	5,200	10,736	10,736	-	100.0%	21,281	21,281
Transfers and subsidies	624,852	-	(4,728)	620,124	599,792	20,332	96.7%	579,912	533,721
Provinces and municipalities									
Departmental agencies and accounts	2,348	-	(30)	2,318	2,310	8	99.7%	2,520	2,528
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	2,348	-	(30)	2,318	2,310	8	99.7%	2,520	2,528
Non-profit institutions	621,384	-	(6,895)	614,489	594,166	20,323	96.7%	575,081	528,908
Households	1,120	-	2,197	3,317	3,316	1	100.0%	2,311	2,285
Social benefits	1,120	-	2,197	3,317	3,316	1	100.0%	2,311	1,971

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Other transfers to households								-	314
Payments for capital assets	10,728	-	4,256	14,984	13,714	1,270	91.5%	28,234	26,637
Buildings and other fixed structures	2,500	-	(42)	2,458	271	2,187	11.0%	9,401	9,401
Buildings	2,500	-	(42)	2,458	271	2,187	11.0%	9,401	9,401
Other fixed structures								-	-
Machinery and equipment	8,228	-	4,298	12,526	13,443	(917)	107.3%	16,701	15,104
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	8,228	-	4,298	12,526	13,443	(917)	107.3%	16,701	15,104
Intangible assets	-	-	-	-	-	-	-	2,132	2,132
Payments for financial assets	-	-	-	-	-	-	-	-	406
	1,533,739	-	-	1,533,739	1,507,970	25,769	98.3%	1,520,289	1,469,419

Programme 1: ADMINISTRATION									
	2021/2022							2020/2021	
	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
Sub programme									
1. Office of the MEC	8,792	-	(1,512)	7,280	7,279	1	100.0%	7,539	6,218
2. Corporate Management	206,406	-	894	207,300	207,262	38	100.0%	209,774	208,948
3. District Management	105,632	-	11,860	117,492	117,419	73	99.9%	108,088	110,218
Total for sub programmes	320,830	-	11,242	332,072	331,960	112	100.0%	325,401	325,384

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Economic classification									
Current payments	292,944	-	11,011	303,955	302,496	1,459	99.5%	294,352	294,013
Compensation of employees	220,250	-	1,127	221,377	221,301	76	100.0%	212,958	212,965
Salaries and wages	186,494	-	44	186,538	186,462	76	100.0%	181,378	179,358
Social contributions	33,756	-	1,083	34,839	34,839	-	100.0%	31,580	33,607
Goods and services	67,158	-	4,684	71,842	70,459	1,383	98.1%	60,113	59,767
Administrative fees	3,494	-	(3,332)	162	147	15	90.7%	150	109
Advertising	214	-	-	214	116	98	54.2%	901	384
Minor assets	190	-	14	204	105	99	51.5%	110	71
Audit costs: External	14,487	-	(5,008)	9,479	9,479	-	100.0%	6,590	7,289
Bursaries: Employees	449	-	-	449	219	230	48.8%	510	456
Catering: Departmental activities	72	-	-	72	63	9	87.5%	35	33
Communication	1,584	-	2,601	4,185	4,186	(1)	100.0%	1,156	4,216
Computer services	15,576	-	(503)	15,073	14,196	877	94.2%	14,435	13,923
Consultants: Business and advisory services	709	-	-	709	597	112	84.2%	667	513
Legal services	1,903	-	-	1,903	1,330	573	69.9%	359	358
Contractors	38	-	-	38	63	(25)	165.8%	72	71
Agency and support / outsourced services	11	-	-	11	10	1	90.9%	-	-
Entertainment	6	-	-	6	5	1	83.3%	8	6
Fleet services	4,310	-	4,810	9,120	10,167	(1,047)	111.5%	8,700	8,740
Inventory: Clothing material and accessories	10	-	-	10	-	10	-	-	-
Consumable supplies	831	-	(33)	798	731	67	91.6%	669	383
Consumable: Stationery, printing and office supplies	291	-	2	293	531	(238)	181.2%	799	623
Operating leases	9,691	-	6,176	15,867	17,100	(1,233)	107.8%	14,287	14,722

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Property payments	8,461	-	-	8,461	7,081	1,380	83.7%	7,095	4,903
Travel and subsistence	2,254	-	(39)	2,215	1,880	335	84.9%	2,122	1,331
Training and development	1,158	-	(15)	1,143	1,133	10	99.1%	476	487
Operating payments	1,392	-	11	1,403	1,293	110	92.2%	972	1,149
Venues and facilities	27	-	-	27	27	-	100.0%	-	-
Interest and rent on land	5,536	-	5,200	10,736	10,736	-	100.0%	21,281	21,281
Interest (Incl. interest on unitary payments (PPP))	5,536	-	5,200	10,736	10,736	-	100.0%	21,281	21,281
Transfers and subsidies	23,012	-	(4,999)	18,013	18,005	8	100.0%	19,022	19,010
Provinces and municipalities									
Departmental agencies and accounts	2,348	-	(30)	2,318	2,310	8	99.7%	2,520	2,528
Departmental agencies	2,348	-	(30)	2,318	2,310	8	99.7%	2,520	2,528
Non-profit institutions	19,664	-	(5,200)	14,464	14,464	-	100.0%	15,922	15,922
Households	1,000	-	231	1,231	1,231	-	100.0%	580	560
Social benefits	1,000	-	231	1,231	1,231	-	100.0%	580	560
Other transfers to households									
Payments for capital assets	4,874	-	5,230	10,104	11,459	(1,355)	113.4%	12,027	12,361
Buildings and other fixed structures									
Machinery and equipment	4,874	-	5,230	10,104	11,459	(1,355)	113.4%	9,895	10,229
Other machinery and equipment	4,874	-	5,230	10,104	11,459	(1,355)	113.4%	9,895	10,229
Intangible assets	-	-	-	-	-	-	-	2,132	2,132
Payments for financial assets									
	320,830	-	11,242	332,072	331,960	112	100.0%	325,401	325,384

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Programme 2: SOCIAL WELFARE SERVICES									
	2021/2022							2020/2021	
	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
Sub programme									
1. Management and Support Programme 2	13,751	-	(2,261)	11,490	11,074	416	96.4%	13,331	12,137
2. Services to Older Persons	130,105	-	(2,605)	127,500	131,764	(4,264)	103.3%	121,770	129,801
3. Services to Persons with Disabilities	56,163	-	2,477	58,640	58,435	205	99.7%	55,823	55,367
4. HIV and AIDS	32,239	-	(1,687)	30,552	30,551	1	100.0%	36,564	35,480
5. Social Relief	18,734	-	(2,685)	16,049	12,296	3,753	76.6%	27,780	21,984
Total for sub programmes	250,992	-	(6,761)	244,231	244,120	111	100.0%	255,268	254,769
Economic classification									
Current payments	149,366	-	(6,430)	142,936	143,030	(94)	100.1%	151,920	151,625
Compensation of employees	136,993	-	(1,247)	135,746	132,909	2,837	97.9%	130,443	130,350
Salaries and wages	122,258	-	(7,675)	114,583	111,458	3,125	97.3%	111,066	108,939
Social contributions	14,735	-	6,428	21,163	21,451	(288)	101.4%	19,377	21,411
Goods and services	12,373	-	(5,183)	7,190	10,121	(2,931)	140.8%	21,477	21,275
Administrative fees	18	-	(5)	13	2	11	15.4%	7	-
Advertising	-	-	-	-	-	-	-	14	15
Minor assets	31	-	-	31	-	31	-	148	44
Catering: Departmental activities	81	-	(10)	71	65	6	91.5%	78	71

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Communication	5	-	-	5	5	-	100.0%	482	-
Contractors	209	-	(156)	53	42	11	79.2%	525	228
Agency and support / outsourced services	5,940	-	(4,810)	1,130	5,635	(4,505)	498.7%	965	5,368
Fleet services								50	-
Inventory: Food and food supplies	653	-	(83)	570	184	386	32.3%	5,922	5,462
Consumable supplies	2,698	-	80	2,778	2,238	540	80.6%	4,545	3,004
Consumable: Stationery, printing and office supplies	568	-	(41)	527	243	284	46.1%	371	95
Property payments	1,391	-	-	1,391	1,349	42	97.0%	5,724	4,302
Travel and subsistence	778	-	(158)	620	357	263	57.6%	258	298
Operating payments	1	-	-	1	1	-	100.0%	-	-
Venues and facilities								2,388	2,388
Interest and rent on land									
Transfers and subsidies	101,026	-	82	101,108	100,903	205	99.8%	101,519	101,218
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions	100,924	-	(236)	100,688	100,483	205	99.8%	100,722	100,427
Households	102	-	318	420	420	-	100.0%	797	791
Social benefits	102	-	318	420	420	-	100.0%	797	641
Other transfers to households								-	150

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Payments for capital assets	600	-	(413)	187	187	-	100.0%	1,829	1,520
Buildings and other fixed structures									
Machinery and equipment	600	-	(413)	187	187	-	100.0%	1,829	1,520
Other machinery and equipment	600	-	(413)	187	187	-	100.0%	1,829	1,520
Payments for financial assets		-	-	-	-	-		-	406
Total	250,992	-	(6,761)	244,231	244,120	111	100.0%	255,268	254,769

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Programme 3: CHILDREN AND FAMILIES									
	2021/2022							2020/2021	
	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
Sub programme									
1. Care and Services to Families	30,674	-	274	30,948	30,944	4	100.0%	26,679	29,865
2. Child Care and Protection	98,900	-	2,427	101,327	102,503	(1,176)	101.2%	96,786	96,326
3. ECD and Partial Care	354,047	-	(2,262)	351,785	326,595	25,190	92.8%	337,564	288,359
4. Child and Youth Care Centres	110,176	-	182	110,358	110,354	4	100.0%	108,882	107,121
5. Community Based Care Services to Children	15,852	-	-	15,852	15,048	804	94.9%	13,836	13,644
Total for sub programmes	609,649	-	621	610,270	585,444	24,826	95.9%	583,747	535,315
Economic classification									
Current payments	160,383	-	41	160,424	158,202	2,222	98.6%	153,816	152,251
Compensation of employees	141,200	-	437	141,637	142,041	(404)	100.3%	139,777	138,951
Salaries and wages	120,615	-	(2,505)	118,110	118,827	(717)	100.6%	115,893	116,163
Social contributions	20,585	-	2,942	23,527	23,214	313	98.7%	23,884	22,788
Goods and services	19,183	-	(396)	18,787	16,161	2,626	86.0%	14,039	13,300
Administrative fees	72	-	(4)	68	61	7	89.7%	34	22
Advertising	2	-	-	2	2	-	100.0%	51	50
Minor assets	180	-	(50)	130	133	(3)	102.3%	2,276	212
Catering: Departmental activities	119	-	10	129	123	6	95.3%	111	106

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Communication	21	-	2	23	23	-	100.0%	2	2
Infrastructure and planning services			42	42	42	-	100.0%		
Contractors	283	-	(195)	88	88	-	100.0%	194	175
Agency and support / outsourced services	5,407	-	(200)	5,207	5,216	(9)	100.2%	2,703	4,037
Inventory: Materials and supplies	1	-	-	1	-	1		-	-
Inventory: Other supplies	354	-	5	359	359	-	100.0%	-	2,463
Consumable supplies	1,949	-	108	2,057	2,053	4	99.8%	7,271	5,185
Consumable: Stationery, printing and office supplies	372	-	(66)	306	279	27	91.2%	539	400
Property payments	9,589	-	(1)	9,588	7,033	2,555	73.4%	151	130
Travel and subsistence	-	-	-	-	-	-	-	704	389
Training and development	728	-	(54)	674	629	45	93.3%	-	-
Operating payments	4	-	27	31	29	2	93.5%	3	129
Venues and facilities	102	-	(20)	82	91	(9)	111.0%	-	-
Interest and rent on land									
Transfers and subsidies	446,266	-	682	446,948	427,197	19,751	95.6%	427,702	382,834
Non-profit institutions	446,266	-	-	446,266	426,515	19,751	95.6%	427,309	382,441
Households	-	-	682	682	682	-	100.0%	393	393
Social benefits	-	-	682	682	682	-	100.0%	393	393
Payments for capital assets	3,000	-	(102)	2,898	45	2,853	1.6%	2,229	230
Buildings and other fixed structures	2,500	-	(42)	2,458	-	2,458	-		
Buildings	2,500	-	(42)	2,458	-	2,458	-		
Machinery and equipment	500	-	(60)	440	45	395	10.2%	2,229	230
Other machinery and equipment	500	-	(60)	440	45	395	10.2%	2,229	230
Payments for financial assets									
Total	609,649	-	621	610,270	585,444	24,826	95.9%	583,747	535,315

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Programme 4: RESTORATIVE SERVICES									
	2021/2022							2020/2021	
	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
Sub programme									
1. Management and Support	679	-	67	746	745	1	99.9%	672	632
2. Crime Prevention and Support	81,903	-	(1,103)	80,800	82,920	(2,120)	102.6%	78,379	78,471
3. Victim Empowerment	37,177	-	(1,253)	35,924	33,914	2,010	94.4%	31,058	32,407
4. Substance Abuse, Prevention and Rehabilitation	82,644	-	(1,580)	81,064	80,342	722	99.1%	68,846	66,429
Total for sub programmes	202,403	-	(3,869)	198,534	197,921	613	99.7%	178,955	177,939
Economic classification									
Current payments	177,829	-	(3,954)	173,875	173,673	202	99.9%	146,525	145,781
Compensation of employees	162,808	-	3,194	166,002	166,001	1	100.0%	139,585	139,585
Salaries and wages	143,702	-	(5,985)	137,717	137,716	1	100.0%	119,136	116,196
Social contributions	19,106	-	9,179	28,285	28,285		100.0%	20,449	23,389
Goods and services	15,021	-	(7,148)	7,873	7,672	201	97.4%	6,940	6,196
Administrative fees	54	-	(33)	21	5	16	23.8%	26	-
Advertising	108	-	(56)	52	51	1	98.1%	477	457
Minor assets	1,019	-	(598)	421	517	(96)	122.8%	898	584
Catering: Departmental activities	239	-	(94)	145	100	45	69.0%	76	34
Communication	205	-	1	206	3	203	1.5%	3	3
Contractors	346	-	(112)	234	142	92	60.7%	232	240

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Agency and support / outsourced services	5,541	-	(3,590)	1,951	4,447	(2,496)	227.9%	2,560	2,829
Fleet services	-	-	-	-	-	-	-	90	-
Inventory: Food and food supplies	5	-	(5)	-	-	-	-	15	-
Inventory: Materials and supplies	1	-	-	1	-	1	-	-	-
Inventory: Other supplies	5	-	(5)	-	-	-	-	-	-
Consumable supplies	2,584	-	(926)	1,658	835	823	50.4%	932	884
Consumable: Stationery, printing and office supplies	1,651	-	(627)	1,024	253	771	24.7%	907	560
Operating leases	457	-	-	457	-	457	-	-	-
Property payments	623	-	(305)	318	456	(138)	143.4%	10	-
Travel and subsistence	2,043	-	(659)	1,384	669	715	48.3%	635	333
Training and development	-	-	-	-	-	-	-	8	-
Operating payments	140	-	(139)	1	194	(193)	19400.0%	71	272
Venues and facilities								-	-
Interest and rent on land									
Transfers and subsidies	23,418	-	274	23,692	23,324	368	98.4%	23,791	23,159
Non-profit institutions	23,418	-	(176)	23,242	22,875	367	98.4%	23,629	22,997
Households	-	-	450	450	449	1	99.8%	162	162
Social benefits	-	-	450	450	449	1	99.8%	162	162
Other transfers to households								-	-
Payments for capital assets	1,156	-	(189)	967	924	43	95.6%	8,639	8,999
Buildings and other fixed structures								7,310	7,310
Buildings								7,310	7,310
Other fixed structures								-	-

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Machinery and equipment	1,156	-	(189)	967	924	43	95.6%	1,329	1,689
Transport equipment								-	-
Other machinery and equipment	1,156	-	(189)	967	924	43	95.6%	1,329	1,689
Payments for financial assets									
Total	202,403	-	(3,869)	198,534	197,921	613	99.7%	178,955	177,939

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Programme 5: DEVELOPMENT AND RESEARCH									
	2021/2022							2020/2021	
	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
Sub programme									
1. Management and Support	3,350	-	675	4,025	4,025	-	100.0%	3,712	3,680
2. Community Mobilisation	2,515	-	669	3,184	3,184	-	100.0%	3,286	2,735
3. Institutional Capacity Building and Support	14,266	-	379	14,645	14,645	-	100.0%	14,624	14,692
4. Poverty Alleviation and Sustainable Livelihoods	60,871	-	(2,785)	58,086	57,991	95	99.8%	85,752	86,292
5. Community Based Research and Planning	1,256	-	(1,256)	-	-	-	-	2,401	1,288
6. Youth Development	57,155	-	4,962	62,117	62,116	1	100.0%	56,819	58,351
7. Women Development	1,662	-	(318)	1,344	1,343	1	99.9%	1,564	1,318
8. Population Policy Promotion	8,790	-	(3,559)	5,231	5,221	10	99.8%	8,760	7,656
Total for sub programmes	149,865	-	(1,233)	148,632	148,525	107	99.9%	176,918	176,012
Economic classification									
Current payments	117,637	-	(196)	117,441	117,063	378	99.7%	165,530	164,985
Compensation of employees	112,499	-	1,401	113,900	115,653	(1,753)	101.5%	113,571	113,571
Salaries and wages	98,485	-	(4,272)	94,213	95,284	(1,071)	101.1%	96,094	93,344
Social contributions	14,014	-	5,673	19,687	20,369	(682)	103.5%	17,477	20,227
Goods and services	5,138	-	(1,597)	3,541	1,410	2,131	39.8%	51,959	51,414

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Administrative fees	271	-	(256)	15	11	4	73.3%	1,525	1,506
Advertising	-	-	52	52	52	-	100.0%	26	26
Minor assets	6	-	-	6	-	6	-	-	-
Catering: Departmental activities	85	-	(24)	61	116	(55)	190.2%	170	172
Communication	-	-	-	-	-	-	-	10	10
Consultants: Business and advisory services	98	-	(26)	72	300	(228)	416.7%	-	120
Contractors	1,001	-	(1,000)	1	-	1	-	12	7
Agency and support / outsourced services								19,108	19,097
Inventory: Food and food supplies								181	182
Inventory: Materials and supplies								28,948	28,948
Consumable supplies	114	-	(109)	5	5	-	100.0%	82	75
Consumable: Stationery, printing and office supplies	146	-	1	147	97	50	66.0%	610	157
Property payments	2,600	-	(50)	2,550	-	2,550	-	-	-
Transport provided: Departmental activity								-	-
Travel and subsistence	817	-	(185)	632	829	(197)	131.2%	899	625
Training and development								388	388
Operating payments								-	101
Venues and facilities								-	-
Interest and rent on land									
Transfers and subsidies	31,130	-	(767)	30,363	30,363	-	100.0%	7,878	7,500
Non-profit institutions	31,112	-	(1,283)	29,829	29,829	-	100.0%	7,499	7,121
Households	18	-	516	534	534	-	100.0%	379	379
Social benefits	18	-	516	534	534	-	100.0%	379	215

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Other transfers to households								-	164
Payments for capital assets	1,098	-	(270)	828	1,099	(271)	132.7%	3,510	3,527
Buildings and other fixed structures					271	(271)	-	2,091	2,091
Buildings					271	(271)	-	2,091	2,091
Other fixed structures								-	-
Machinery and equipment	1,098	-	(270)	828	828	-	100.0%	3,510	3,527
Transport equipment								-	-
Other machinery and equipment	1,098	-	(270)	828	828	-	100.0%	3,510	3,527
Payments for financial assets									
Total	149,865	-	(1,233)	148,632	148,525	107	99.9%	176,918	176,012

NOTES TO THE APPROPRIATION STATEMENT*for the year ended 31 March 2022***1. Detail of transfers and subsidies as per Appropriation Act (after Virement):**

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	332,072	331,960	112	0%
Social Welfare Services	244,231	244,120	111	0%
Children and Families	610,270	585,444	24,826	4%

The underspending on ECD Stimulus Relief Fund was a result of:

- Challenges with respect to the late receipt of payment batches from National Department of Social Development (NDSD). Some NPOs also did not submit their complete information, as a result, payments could not be processed.
- The rollover of R24,915 million from the 2020/21 financial year to the 2021/2022 financial year which was only approved in December 2021, R17,359 million of this allocation was spent.
- An additional allocation of R10,702 million was only received with the Adjustment Budget in December 2021.
- A roll over of R9,640 million in respect of the ECD Conditional Grant has been requested.

The underspending on the ECD Maintenance was as a result of re-assessments conducted in order to ensure that maintenance done at ECD centres will elevate them from conditionally registered to full registration.

The underspending on the ECD Low Cost Centre is as a result of delays in the confirmation of the land.

Restorative Services	198,534	197,921	613	0%
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NOTES TO THE APPROPRIATION STATEMENT*for the year ended 31 March 2022*

Development and Research	148,632	148,525	107	0%
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4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments	898,590	894,464	4,125	0%
Compensation of employees	778,662	777,905	757	0%
Goods and services	109,192	105,823	3,368	3%
Interest and rent on land	10,736	10,736	-	-
Transfers and subsidies	620,123	599,792	20,331	3%
Departmental agencies and accounts	2,318	2,310	8	0%
Non-profit institutions	614,489	594,166	20,323	3%
Households	3,316	3,316	-	0%
Payments for capital assets	15,026	13,714	1,312	9%
Buildings and other fixed structures	2,500	271	2,229	89%
Machinery and equipment	12,526	13,443	(917)	-7%
Payments for financial assets	-	-	-	-

Goods and Services: The underspending on the ECD Maintenance was as a result of re-assessments conducted in order to ensure that maintenance done at ECD centres will elevate them from conditionally registered to full registration.

Non-profit Institutions: The underspending on ECD Stimulus Relief Fund was a result of:

- Challenges with respect to the late receipt of payment batches from National Department of Social Development (NDSD). Some NPOs also did not submit their complete information, as a result, payments could not be processed.
- The rollover of R24,915 million from the 2020/21 financial year to the 2021/2022 financial year which was only approved in December 2021, R17,359 million of this allocation was spent.
- An additional allocation of R10,702 million was only received with the Adjustment Budget in December 2021.
- A roll over of R9,640 million in respect of the ECD Conditional Grant has been requested.

Payments for capital assets: The underspending on the ECD Low-Cost Centre is as a result of delays in the confirmation of the land.

NOTES TO THE APPROPRIATION STATEMENT*for the year ended 31 March 2022*

4.3	Per conditional grant	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
	Social Sector- EPWP Grant	20,320	19,720	600	3%
	Early Childhood Development Grant	111,571	86,384	25,187	23%

Early Childhood Development Grant: The underspending on ECD Stimulus Relief Fund was as a result of:

- Challenges with respect to the late receipt of payment batches from National Department of Social Development (NDSD). Some NPOs also did not submit their complete information, as a result, payments could not be processed.
- The rollover of R24 915 072 from the 2020/21 financial year to the 2021/22 financial year which was only approved in December 2021, R17 359 million of this allocation was spent.
- An additional allocation of R10 702 million was only received with the adjustment budget in December 2021.
- A roll over of R9,640 million has been requested.

Social Sector EPWP Incentive Grant: Funds withheld due to non-compliance by some NPO's.

STATEMENT OF FINANCIAL PERFORMANCE**for the year ended 31 March 2022**

	Note	2021/2022 R'000	2020/2021 R'000
REVENUE			
Annual appropriation	1	1,533,739	1,520,289
Departmental revenue	2	-	-
Aid assistance	3	-	-
TOTAL REVENUE		1,533,739	1,520,289
EXPENDITURE			
Current expenditure			
Compensation of employees			
Goods and services			
Interest and rent on land			
Aid assistance	4	777,905	735,422
	5	105,823	151,952
Total current expenditure	6	10,736	21,281
Transfers and subsidies	3	-	-
Transfers and subsidies			
Aid assistance		894,464	908,655
Total transfers and subsidies			
Expenditure for capital assets	8	599,792	533,721
Tangible assets	3	-	-
Intangible assets			
Total expenditure for capital assets		599,792	533,721
Unauthorised expenditure approved without funding Payments			
for financial assets	9	13,714	24,505
	9	-	2,132
TOTAL EXPENDITURE		13,714	26,637
SURPLUS/(DEFICIT) FOR THE YEAR			
		-	-
	7	-	406
		1,507,970	1,469,419
		25,769	50,870

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds	25,769	50,870
Annual appropriation	-18	3,377
Conditional grants	25,787	47,493
Aid assistance	-	-
SURPLUS/(DEFICIT) FOR THE YEAR	25,769	50,870

DEPARTMENT OF SOCIAL DEVELOPMENT VOTE 7

STATEMENT OF FINANCIAL POSITION
as at 31 March 2022

	Note	2021/2022 R'000	2020/2021 R'000
ASSETS			
Current assets		27,382	51,503
Cash and cash equivalents	<u>10</u>	23,282	47,583
Receivables	<u>12</u>	4,100	3,920
Non-current assets		108	85
Receivables	<u>12</u>	108	85
TOTAL ASSETS		27,490	51,588
LIABILITIES			
Current liabilities		26,430	51,206
Voted funds to be surrendered to the Revenue Fund	<u>13</u>	25,769	50,870
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>14</u>	86	16
Payables	<u>15</u>	575	320
Non-current liabilities			
Payables		-	-
TOTAL LIABILITIES NET		26,430	51,206
ASSETS		1,060	382
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		1,060	382
TOTAL		1,060	382

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2022

	Note	2021/2022 R'000	2020/2021 R'000
Recoverable revenue			
Opening balance		382	424
Transfers:		678	(42)
Irrecoverable amounts written off	<u>12</u>		(5)
Debts revised		(16)	(5)
Debts recovered (included in departmental receipts)		(250)	(67)
Debts raised		944	35
Closing balance		1,060	382
TOTAL		1,060	382

DEPARTMENT OF SOCIAL DEVELOPMENT VOTE 7

CASH FLOW STATEMENT
for the year ended 31 March 2022

	Note	2021/2022 R'000	2020/2021 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,535,260	1,521,420
Annual appropriated funds received Departmental revenue received Aid assistance received	1.1	1,533,739	1,520,289
	2	1,521	1,131
	3	-	-
Net (increase)/decrease in working capital Surrendered to Revenue Fund		75	(1,777)
Current payments		(52,321)	(46,932)
Interest paid		(883,728)	(887,374)
Payments for financial assets		(10,736)	(21,281)
Transfers and subsidies paid	6	(10,736)	(21,281)
Net cash flow available from operating activities		-	(406)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(599,792)	(533,721)
(Increase)/decrease in non-current receivables	16	(11,242)	29,929
Net cash flows from investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets	9	(13,714)	(26,637)
Increase/(decrease) in non-current payables	12	(23)	212
Net cash flows from financing activities		(13,737)	(26,425)
Net increase/(decrease) in cash and cash equivalents at beginning of period Unrealised gains and losses within cash and cash equivalents			
Cash and cash equivalents at end of period			
		678	(42)
		-	-
		678	(42)
		(24,301)	3,462
		47,583	44,121
		-	-
	17	23,282	47,583

NOTES TO THE ANNUAL FINANCIAL STATEMENTS**for the year ended 31 March 2022****Summary of significant accounting policies**

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

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 (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	Comparative information
6.1	Prior period comparative information 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.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS*for the year ended 31 March 2022*

7	Revenue
7.1	Appropriated fund Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
8	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.3	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
8.4	Leases
8.4.1	Operating lease Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS*for the year ended 31 March 2022*

8.4.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	Aid Assistance
9.1	Aid assistance received Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	Aid assistance paid Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10	Cash and cash equivalents Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. 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.
11	Prepayments and advances Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. Payments are expensed when the service is rendered and invoices are received.
12	Receivables Receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS*for the year ended 31 March 2022*

13	Financial assets
13.1	Financial assets (not covered elsewhere) A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
13.2	Impairment of financial assets Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
14	Payables Payables recognised in the statement of financial position are recognised at cost.
15	Capital Assets
15.1	Immovable capital assets Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
15.2	Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2005 may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
15.3	Intangible assets Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS**for the year ended 31 March 2022**

	All assets acquired prior to 1 April 2005 may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
15.4	Project Costs: Work-in-progress Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
16	Provisions and Contingents
16.1	Provisions Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
16.2	Contingent liabilities Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
16.3	Contingent assets Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
17	Capital commitments Capital commitments are recorded at cost in the notes to the financial statements.
18	Fruitless and wasteful expenditure Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off. Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS**for the year ended 31 March 2022**

19	Irregular expenditure Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefore are provided in the note. Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
20	Changes in accounting estimates and errors Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
21	Events after the reporting date Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
22	Principal-Agent arrangements The department is party to a principal-agent arrangement with HWSETA. In terms of the arrangement the department is the agent and is responsible for placing learners in occupations that will provide them with experience related to their qualifications. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.
23	Departures from the MCS requirements Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard, there are no instances of departure from the standard.
24	Capitalisation reserve The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.
25	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 Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS**for the year ended 31 March 2022**

26	Related party transactions Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.
27	Inventories <i>(Effective from date determined in a Treasury Instruction)</i> At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.
28	Employee benefits The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

1. Annual Appropriation

1.1 Annual Appropriation

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

	Final Appropriation	2021/2022 Actual Funds Received	Funds not requested/not received	Final Appropriation	2020/2021 Appropriation received	Funds not requested /not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	332,072	332,072	-	325,401	325,401	-
Social Welfare						
Services	244,231	244,231	-	255,268	255,268	-
Children and Families						
	610,270	610,270	-	583,747	583,747	-
Restorative Services	198,534	198,534	-	178,955	178,955	-
Development and						
Research	148,632	148,632	-	176,918	176,918	-
Total	1,533,739	1,533,739	-	1,520,289	1,520,289	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS**for the year ended 31 March 2022**

Clothing and rechargeable lights	7	-
Total	67	1,196

The prior year amount of R1,196 million has been moved from Note 3.5 to 2.3 to comply with T.R 21.2.4

3. Aid assistance

	<i>Note</i>	2021/2022 R'000	2020/2021 R'000
Opening Balance		-	-
Prior period error		-	-
As restated		-	-
Transferred from statement of financial performance		-	-
Transfers to or from retained funds		-	-
Paid during the year		-	-
Closing Balance		-	-

3.1 Donations received in-kind (not included in the main note)

	<i>Note</i>	2021/2022 R'000	2020/2021 R'000
		-	-
Total		-	-

The prior year amount of R1,196 million has been moved from Note 3.5 to 2.3 to comply with T.R 21.2.4

4. Compensation of employees**4.1 Salaries and Wages**

	<i>Note</i>	2021/2022 R'000	2020/2021 R'000
Basic salary		501,349	499,141
Performance award		3,613	5,766
Service Based		796	812
Compensative/circumstantial		23,300	20,707
Other non-pensionable allowances		120,689	87,576
Total		649,747	614,002

4.2 Social contributions

	<i>Note</i>	2021/2022 R'000	2020/2021 R'000
Employer contributions			
Pension		63,332	62,749
Medical		64,513	58,431

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

items. During the year under review, the pandemic was not that severe hence the reduction in expenditure.

5.1 Minor assets

	Note	2021/2022	2020/2021
	5	R'000	R'000
Tangible assets		754	911
Machinery and equipment		754	911
Total		754	911

5.2 Computer services

	Note	2021/2022	2020/2021
	5	R'000	R'000
SITA computer services		5,063	4,694
External computer service providers		9,133	9,229
Total		14,196	13,923

5.3 Audit cost – External

	Note	2021/2022	2020/2021
	5	R'000	R'000
Regularity audits		9,479	7,289
Total		9,479	7,289

Audit fees – The increase in audit fees (R9.429 million in 2021/2022; R7.289 million in 2020/2021) was due to the extension period for the completion of the audit due to COVID-19

5.4 Inventory

	Note	2021/2022	2020/2021
	5	R'000	R'000
Food and food supplies		184	5,643
Materials and supplies		-	31,412
Other supplies	5.4.1	359	-
Total		543	37,055

5.4.1 Other supplies

	Note	2021/2022	2020/2021
	5.4	R'000	R'000
Assets for distribution		359	-
Other assets for distribution		359	-
Other		-	-
Total		359	-

5.5 Consumables

	Note	2021/2022	2020/2021
	5	R'000	R'000
Consumable supplies		5,862	9,531
Uniform and clothing		917	1,041
Household supplies		2,894	4,927
Building material and supplies		1,444	2,094

NOTES TO THE ANNUAL FINANCIAL STATEMENTS**for the year ended 31 March 2022**

IT consumables	5	22
Other consumables	602	1,447
Stationery, printing and office supplies	1,402	1,835
Total	7,264	11,366

5.6 Property payments

	Note	2021/2022	2020/2021
	5	R'000	R'000
Property maintenance and repairs		14,240	5,087
Other		1,680	4,248
Total		15,920	9,335

Increase in property payments is as a result of maintenance of buildings, the repair and maintenance of existing building for the Thuthuzela Centre (Victims of Abuse) and fumigation of buildings

5.7 Travel and subsistence

	Note	2021/2022	2020/2021
	5	R'000	R'000
Local		4,364	2,976
Foreign			
Total		4,364	2,976

5.8 Other operating expenditure

	Note	2021/2022	2020/2021
	5	R'000	R'000
Resettlement costs		188	596
Other		1,329	1,055
Total		1,517	1,651

5.9 Remuneration of members of a commission or committee (Included in Consultants: Business and advisory services)

	Note	2021/2022	2020/2021
	5	R'000	R'000
Name of Commission / Committee	No. of members		
Audit Committee	7	323	200
Risk Management Committee	1	10	5
Total		333	205

The Committee had 2 groups for the year under review. The contracts of 4 members in the 1st group expired in September 2021. The 2nd group was appointed in October 2021 comprising 5 members from the 1st group. The 2 members from the first group were retained for the 2nd term. One member passed away before the end of the term.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

6. Interest and rent on land

	Note	2021/2022 R'000	2020/2021 R'000
Interest paid		10,736	21,281
Total		10,736	21,281

Interest on the ENGO and others judgement was calculated from the date of service of the application to date of payment.

7. Payments for financial assets

	Note	2021/2022 R'000	2020/2021 R'000
Debts written off	7.1	-	406
Total		-	406

7.1 Debts written off

	Note	2021/2022 R'000	2020/2021 R'000
Nature of debts written off	7		
Recoverable revenue written off			
Ex-employee		-	5
Total		-	5
Other debt written off			
Suppliers		-	166
Ex-employees		-	235
Total		-	401
Total debt written off		-	406

Prior year error amounting to R5 thousand relating to recoverable revenue emanating from ex-employee debt has been corrected.

8. Transfers and subsidies

		2021/2022 R'000	2020/2021 R'000
Departmental agencies and accounts	Note Annexure 1B	2,310	2,528
Non-profit institutions	Annexure 1F	594,166	528,908
Households	Annexure 1G	3,316	2,285
Total		599,792	533,721

NOTES TO THE ANNUAL FINANCIAL STATEMENTS*for the year ended 31 March 2022***9. Expenditure for capital assets**

	<i>Note</i>	2021/2022 R'000	2020/2021 R'000
Tangible assets		13,714	24,505
Buildings and other fixed structures	31	271	9,401
Machinery and equipment	29	13,443	15,104
Intangible assets		-	2,132
Software	30	-	2,132
Total		13,714	26,637

9.1 Analysis of funds utilised to acquire capital assets – 2021/2022

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	13,714		13,714
Buildings and other fixed structures	271	-	271
Machinery and equipment	13,443	-	13,443
Total	13,714	-	13,714

9.2 Analysis of funds utilised to acquire capital assets – 2020/2021

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	24,505	-	24,505
Buildings and other fixed structures	9,401	-	9,401
Machinery and equipment	15,104	-	15,104
Intangible assets	2,132	-	2,132
Software	2,132	-	2,132
Total	26,637	-	26,637

9.3 Finance lease expenditure included in Expenditure for capital assets

	<i>Note</i>	2021/2022 R'000	2020/2021 R'000
Tangible assets			
Machinery and equipment		9,498	9,409
Total		9,498	9,409

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

10. Cash and cash equivalents

	Note	2021/2022 R'000	2020/2021 R'000
Consolidated Paymaster General Account		23,222	47,424
Disbursements		-	99
Cash on hand		60	60
Total		23,282	47,583

11. Prepayments and advances

11.1 Prepayments (Expensed)

	Note	Amount as at 1 April 2021 R'000	Less: Received in the current year R'000	Add or Less: Other R'000	Add: Current Year prepayments R'000	Amount as at 31 March 2022 R'000
Goods and services		21,604	(19,845)	(242)	-	1,517
Interest and rent on land		-	-	-	-	-
Capital assets		2,206	-	-	-	2,206
Other		-	-	-	-	-
Total		23,810	(19,845)	(242)	-	3,723

During 2021/2022, invoices/supporting documents amounting to R20,087 million were received. R242 thousand was recouped during the year for non-compliant NPOs. Letters have been written to the relevant NPOs in respect of the balance of funds not accounted for.

	Note	Amount as at 1 April 2020 R'000	Less: Received in the current year R'000	Add or Less: Other R'000	Add: Current Year prepayments R'000	Amount as at 31 March 2021 R'000
Goods and services		-	-	-	21,604	21,604
Interest and rent on land		-	-	-	-	-
Transfers and subsidies		-	-	-	-	-
Capital assets		-	-	-	2,206	2,206
Other		-	-	-	-	-
Total		-	-	-	23,810	23,810

Transfers to NPO made in March 2021 were not entirely spent at year end.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS*for the year ended 31 March 2022*

	12	R'000	R'000
Suppliers		102	340
Breach of Contract Non-Employees		30	31
HWSETA		368	372
Total		500	743

12.5 Fruitless and wasteful expenditure

	Note	2021/2022 R'000	2020/2021 R'000
Opening balance	12	37	32
Less amounts recovered		(3)	-
Transfers from note 32 Fruitless and Wasteful Expenditure		-	5
Total		34	37

12.6 Impairment of receivables

	Note	2021/2022 R'000	2020/2021 R'000
Estimate of impairment of receivables		943	4
Total		943	4

The increase in impairment can be attributed to more aging ex- employee debts that became doubtful and irrecoverable.

13. Voted funds to be surrendered to the Revenue Fund

	Note	2021/2022 R'000	2020/2021 R'000
Opening balance		50,870	45,741
Prior period error	13.2		
As restated		50,870	45,741
Transfer from statement of financial performance (as restated)		25,769	50,870
Paid during the year		(50,870)	(45,741)
Closing balance		25,769	50,870

14. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2021/2022 R'000	2020/2021 R'000
Opening balance		16	76
Prior period error			
As restated		16	76
Transfer from Statement of Financial Performance (as restated)		-	-
Own revenue included in appropriation		1,521	1,131

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

	Note	2021/2022 R'000	2020/2021 R'000
Liable to			
Nature			
Claims against the department	Annex 3B	992	112
Intergovernmental payables (unconfirmed balances)	Annex 5	1	153
Total		993	265

The matters listed are opposed and are still pending before the courts. The Department is in consultation with State Attorney. As these matters are still before the courts, the possibility of reimbursement cannot be made with certainty at this stage. There are no instances where disclosure requirements of the Standards are not done due to impracticalities and or sensitivity of the information

The Department has other matters in the Contingent Liabilities Register of which the claim amounts cannot be estimated at the reporting period.

18.2 Contingent assets

	Note	2021/2022 R'000	2020/2021 R'000
Nature of contingent asset			
Possible recovery of employee costs resulting from strike action		-	5,531
Total		-	5,531

19. Capital commitments

	Note	2021/2022 R'000	2020/2021 R'000
Buildings and other fixed structures		-	1,951
Machinery and equipment		7	11
Total		7	1,962

NOTES TO THE ANNUAL FINANCIAL STATEMENTS*for the year ended 31 March 2022***20. Accruals and payables not recognised****20.1 Accruals**

			2021/2022 R'000	2020/2021 R'000
Listed by economic classification				
	30 days	30+ days	Total	Total
Goods and services	6,172		6,172	5,354
Capital assets	705		705	704
Other	147		147	
Total	7,024		7,024	6,058

	<i>Note</i>	2021/2022 R'000	2020/2021 R'000
Listed by programme level			
Administration		5,140	4,516
Social Welfare Services		421	866
Children and Families		412	478
Restorative Services		1,039	173
Development and Research		12	25
Total		7,024	6,058

20.2 Payables not recognised

			2021/2022 R'000	2020/2021 R'000
Listed by economic classification				
	30 days	30+ days	Total	Total
Goods and services	156	-	156	1,915
Transfers and subsidies	-	91,647	91,647	107,329
Capital assets	128	-	128	-
Other	64	-	64	68
Total	348	91,647	91,995	109,312

	<i>Note</i>	2021/2022 R'000	2020/2021 R'000
Listed by programme level			
Administration		91,825	108,651
Social Welfare Services		6	27
Children and Families		-	473
Restorative Services		155	161
Development and Research		9	-
Total		91,995	109,312

This amount includes ENGO and others debt payable. A restatement of R68 thousand has been made on Payables relating to prior year misstatement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

	Note	2021/2022 R'000	2020/2021 R'000
<i>Included in the above totals are the following:</i>			
Confirmed balances with other departments	Annex 5	148	-
Total		148	-

21. Employee benefits

	Note	2021/2022 R'000	2020/2021 R'000
Leave entitlement		44,887	53,873
Service bonus		20,956	20,812
Performance awards		-	5,927
Capped leave		7,651	8,369
Other		927	643
Total		74,421	89,624

At this stage the department is not able to reliably measure the long-term portion of the long service awards. Included in the "other amount" is outstanding leave gratuity due to beneficiaries, and long service awards payable

22. Lease commitments**22.1 Operating leases**

2021/2022	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	8,935	8,935
Later than 1 year and not later than 5 years	-	-	-	11,505	11,505
Later than five years	-	-	-	986	986
Total lease commitments	-	-	-	21,426	21,426

2020/2021	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	14,138	14,138
Later than 1 year and not later than 5 years	-	-	-	14,182	14,182
Later than five years	-	-	-	2,040	2,040
Total lease commitments	-	-	-	30,360	30,360

NOTES TO THE ANNUAL FINANCIAL STATEMENTS**for the year ended 31 March 2022**

The department has entered into a service level agreement with Free State Fleet Management Trading Entity for provisions of vehicles. The leases are treated as operating leases.

22.2 Finance leases **

2021/2022	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	2,015	2,015
Later than 1 year and not later than 5 years	-	-	-	32	32
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	2,047	2,047

2020/2021	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	4,901	4,901
Later than 1 year and not later than 5 years	-	-	-	1,734	1,734
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	6,635	6,635

**This note excludes leases relating to public private partnership as they are separately disclosed in note no. 35.

The department participates in RT15 2021 Vodacom contract for provision of cell phones and 3G devices and also participates in the RFA 1818-2018 Lesedi contract for provision of office automation solutions.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS*for the year ended 31 March 2022***23. Irregular expenditure****23.1 Reconciliation of irregular expenditure**

	<i>Note</i>	2021/2022 R'000	2020/2021 R'000
Opening balance		108,165	56,503
Prior period error			
As restated		108,165	56,503
Add: Irregular expenditure – relating to prior year	23.2	5,089	2,272
Add: Irregular expenditure – relating to current year	23.2	11,897	49,390
Less: Prior year amounts condoned		-	-
Less: Current year amounts condoned		-	-
Less: Prior year amounts not condoned and removed	23.3	(5,578)	-
Less: Current year amounts not condoned and removed		-	-
Less: Amounts recoverable (current and prior year)		-	-
Less: Amounts written off		-	-
Closing balance		119,573	108,165
Analysis of closing balance			
Current year		11,897	49,390
Prior years		107,676	58,775
Total		119,573	108,584

23.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2021/2022 R'000
Catering services non-compliance with competitive bidding	None	11,568
Less than 3 quotations received	None	533
Competitive bidding not compliant with SCM regulations	None	2,825
Payment of performance bonus in contravention with PSR	None	434
Procurement of ICT goods from suppliers who are not accredited	None	103
Non-compliance with SCM regulations	None	9
Irregular appointment on SMS posts	None	1,514
Total		16,986

NOTES TO THE ANNUAL FINANCIAL STATEMENTS**for the year ended 31 March 2022**

23.3 Details of irregular expenditure removed - (not condoned)		
Incident	Not condoned by (relevant authority)	2021/2022 R'000
Awards to Suppliers not accredited on SITA contract	Provincial Treasury	539
Awards made for a contract not registered for PPR	Provincial Treasury	1,018
Awards made to suppliers whose tax status is non-compliant	Provincial Treasury	302
Payment made in excess of quoted amount	Provincial Treasury	30
Less than 3 quotations obtained	Provincial Treasury	188
Bid Specification did not specify minimum threshold	Provincial Treasury	752
Salary overpayment	Provincial Treasury	24
Non-Compliant tax status	Provincial Treasury	5
Procurement processes not followed for sole supplier	Provincial Treasury	2,720
Total		5,578

23.4 Details of irregular expenditures under assessment (not included in the main note)

Incident	2021/22 R'000
Competitive bidding not followed	2,885
Appointment not compliant with PSR	3,069
Total	5,954

23.5 Prior period error

Note	2020/21 R'000
Relating to 2020/21	1,967
Restatement of prior year total after determination test was finalised.	1,967
Overstatement of prior year Irregular Expenditure	(419)
Total	1,548

Irregular expenditure amounting R1,967 was understated. Final determination was conducted resulting in an increase on the amount reported. Overstatement of R419 thousand relating to catering has been corrected.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS*for the year ended 31 March 2022***24. Fruitless and wasteful expenditure****24.1 Reconciliation of fruitless and wasteful expenditure**

	<i>Note</i>	2021/2022 R'000	2020/2021 R'000
Opening balance		23,894	2,323
Prior period error			
As restated		23,894	2,323
Fruitless and wasteful expenditure – relating to prior year	24.2	1,500	-
Fruitless and wasteful expenditure – relating to current year	24.2	10,779	21,576
Less: Amounts recoverable	12.6	-	(5)
Less: Amounts written off	24.3	(10)	-
Closing balance		36,163	23,894

24.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2021/2022 R'000
Interest paid on ENGO & Others judgement	None	10,736
Arbitration award paid to an official	None	43
EPWP Stipends incorrectly paid	None	1,500
Total		12,279

The amount of R10,736 million (2020/2021: R21,281 million) relates to accumulating interest on ENGO and others judgement in line with the court judgement on the application of interest (2019 Gazette R25)

24.3 Details of fruitless and wasteful expenditure written off

Incident	2021/2022 R'000
Penalty paid to PSIRA	10
Total	10

NOTES TO THE ANNUAL FINANCIAL STATEMENTS*for the year ended 31 March 2022***24.4 Details of fruitless and wasteful expenditures under assessment (not included in the main note)**

Incident	2021/22 R'000
Lack of monitoring - Sanitary Towel Project	11,181
Total	11,181

25. Related party transactions

The Department Transferred funds to various NPOs who render service delivery programmes to communities as disclosed in Annexure 1F. The MEC is the political head of the department and plays an oversight role. There are no related party transactions. Only remuneration is recorded under note 26.

The Department also has Chief Directors and those in acting capacity that are responsible for directing and controlling the activities of the department as Key Management Personnel. There are no related party transactions. The salaries of Key Management Personnel and families are disclosed in Note 26.

26. Key management personnel

	No. of Individuals	2021/2022 R'000	2020/2021 R'000
Political office bearers (provide detail below)	1	2,000	1,978
Officials:			
Level 16	1	2,172	1,430
Level 14(incl CFO if at lower level)	5	6,947	7,478
Level 13	1	1,158	1,154
Family members of key management personnel	1	521	498
Total		12,798	12,538

In 2020/21 the Acting HOD was in that position for part of the year, as a result his expenditure could not be split between 2 people as it is only one official. However, in 2021/22, The Acting HOD was in the position for the full 12 months.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS**for the year ended 31 March 2022****27. Provisions**

	<i>Note</i>	2021/2022	2020/2021
		R'000	R'000
Retention for Substance Abuse Treatment Centre Project		875	875
Total		875	875

This is part of the retention fee for the newly delivered Infrastructure ,namely Charlotte Maxeke Treatment Centre in Botshabelo.

27.1 Reconciliation of movement in provisions – 2021/2022

	Retention	Provision	Provision	Total
	R'000	2	3	provisions
		R'000	R'000	R'000
Opening balance	875			875
Increase in provision				
Settlement of provision				
Unused amount reversed				
Reimbursement expected from third party				
Change in provision due to change in estimation of inputs				
Closing balance	875			875

Reconciliation of movement in provisions – 2020/2021

	ENGO and Others	Retention	Provision	Total
	R'000	R'000	3	provisions
			R'000	R'000
Opening balance	132,727			132,727
Increase in provision	1,901	875		2,776
Settlement of provision				
Unused amount reversed				
Reimbursement expected from third party				
Change in provision due to change in estimation of inputs	(134,628)			(134,628)
Closing balance		875		875

NOTES TO THE ANNUAL FINANCIAL STATEMENTS**for the year ended 31 March 2022****28. Non-adjusting events after reporting date****2021/2022
R'000****Nature of event**

Include an estimate of the financial effect of the subsequent non-adjusting events or a *statement* that such an estimate cannot be made.

Total**3. ECD MIGRATION:**

3.1 During the state of the Nation Address (SONA) in February 2019, the President announced that the country would proceed towards two years of compulsory schooling for all children before they enter Grade 1. The President also reiterated that the responsibility of Early Childhood Development (ECD) would be migrated from the Department of Social Development to the Department of Basic Education with effect from 1 April 2022.

3.2 The President of the Republic of South Africa signed a proclamation that was published on 30 June 2021 regarding the transfer of administration, powers and functions relating to Early Childhood Development Centers. A Memorandum of Understanding between the two departments was concluded to ensure the implementation of the proclamation by the President.

3.3 The Premier of the Free State signed and published a proclamation of the Province for the transfer of powers, functions, and administration of Early Childhood Development Centers from the MEC of the Department of Social Development to the MEC Department of Education Free State.

3.4 The Budget of the Department was reduced by R841.775 million over the MTEF as a result of the migration of Early Childhood Development (ECD) from DSD to DBE with effect from 01 April 2022.

This consists of R281.119 million for 2022/23 and R280.328 million for each of the two outer years for earmarked funding and equitable share. The conditional grant allocation related to the function has also been excluded from the allocation.

3.5 All the relevant staff and their assets have been transferred to DBE with effect from 01 April 2022.

4. SANITARY TOWEL PROJECT

4.1 The project was transferred to DESTEA with effect from 01/04/2022. The R2 Million Sanitary Towel Allocation (R6 million over MTEF) was removed from our baseline and re-allocated to the budget of the Department of Economic, Small Business Development, Tourism and Environmental Affairs. (DESTEA) The total expenditure on the project since inception is R14.281 million. Included in this amount is R3.1 million of assets.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

29. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	38,572		4,073	(123)	42,522
Transport assets					
Computer equipment	17,451		838	(17)	18,272
Furniture and office equipment	10,973		575	(64)	11,484
Other machinery and equipment	10,148		2,660	(42)	12,766
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	38,572	-	4,073	(123)	42,522

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Heritage assets		
Machinery and equipment	24	331
Specialised military assets		
Biological assets		

Investigations are ongoing as a result of assets that could not be verified during stocktaking

29.1 Movement for 2020/2021

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	32,945		5,627	-	38,572
Transport assets					
Computer equipment	15,379		2,072	-	17,451
Furniture and office equipment	9,645		1,328	-	10,973
Other machinery and equipment	7,921		2,227	-	10,148

NOTES TO THE ANNUAL FINANCIAL STATEMENTS*for the year ended 31 March 2022*

TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	32,945	5,627	-	38,572
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29.2 Minor assets**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2022**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance				27,388		27,388
Value adjustments						
Additions				777		777
Disposals				(590)		(590)
TOTAL MINOR ASSETS				27,575		27,575

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets				24		24
Number of minor assets at cost				17,788		17,788
TOTAL NUMBER OF MINOR ASSETS				17,812		17,812

Minor Capital Assets under investigation

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	6	15

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

Investigations are ongoing as a result of assets that could not be verified during stocktaking.

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2021

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance				26,372	-	26,372
Prior period error						
Value adjustments					-	
Additions				1,016	-	1,016
Disposals						
TOTAL MINOR ASSETS				27,388	-	27,388
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets				24	-	24
Number of minor assets at cost				17,512	-	17,512
TOTAL NUMBER OF MINOR ASSETS				17,536	-	17,536

30. Intangible Capital Assets

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	4,010	-	-	4,010
TOTAL INTANGIBLE CAPITAL ASSETS	4,010	-	-	4,010

NOTES TO THE ANNUAL FINANCIAL STATEMENTS*for the year ended 31 March 2022***30.1 Movement for 2020/2021****MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	1,878		2,132		4,010
TOTAL INTANGIBLE CAPITAL ASSETS	1,878		2,132		4,010

31. Immovable Tangible Capital Assets

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	73,788	-	-	73,788
Other fixed structures	73,788	-	-	73,788
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	73,788	-	-	73,788

31.1 Movement for 2020/2021**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 20YY**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES			73,788		73,788
Other fixed structures			73,788		73,788
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS			73,788		73,788

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

31.2 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2022

	Opening balance 1 April 2021	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2022
<i>Note</i> <i>Annexure 7</i>	R'000	R'000	R'000	R'000
Buildings and other fixed structures	2 091	271	-	2,362
Machinery and equipment				
TOTAL	2 091	271	-	2,362

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

	Opening balance 1 April 2020	Prior period error	Current Year WIP	Ready for use (Assets to the AR)) / Contracts terminated	Closing balance 31 March 2021
<i>Note</i> <i>Annexure</i> <i>7</i>	R'000	R'000	R'000	R'000	R'000
Buildings and other fixed structures	66 478		9 401	(73 788)	2 091
TOTAL	66 478		9,401	(73 788)	2 091

32. Principal-agent arrangements

32.1 Department acting as the agent

32.1.1 Reconciliation of funds and disbursements – 2021/2022

Category of revenue or expenditure per arrangement	Total funds received	Expenditure incurred against funds
	R'000	R'000
Stipends	2,041	2,409
Total	2,041	2,409

NOTES TO THE ANNUAL FINANCIAL STATEMENTS**for the year ended 31 March 2022**

The Department acts as an implementing agent in an agreement with HWSETA for the implementation of the TVET College learners work experience and internships. The Department has not received any management fees at the reporting date. In terms of the agreement, the department places learners in occupations that will provide them with experience related to the qualification they studied. The department receives funds for the stipends from HWSETA and facilitates payment to the learners. Project management fee of R184 thousand will be payable to the department.

Reconciliation of funds and disbursements – 2020/2021

Category of revenue or expenditure per arrangement	Total funds received R'000	Expenditure incurred against funds R'000
Stipends	1,058	1,430
Total	1,058	1,430

In 2020/21 the Department disclosed a receivable amounting to R372 thousand. In the current reporting period, a receivable of R368 thousand has been disclosed for funds which are yet to be received.

33. Prior period errors**33.1 Correction of prior period errors**

	Note	Amount before error correction 2020/2021 R'000	Prior period error 2020/2021 R'000	Restated Amount 2020/2021 R'000
Liabilities: (E.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)				
Payables	20	109,244	68	109,312
Net effect		109,244	68	109,312

A restatement of R68 thousand has been made relating to prior year misstatement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS**for the year ended 31 March 2022**

	<i>Note</i>	Amount before error correction 2020/21 R'000	Prior period error 2020/21 R'000	Restated Amount 2020/21 R'000
Other: (E.g. Irregular expenditure, Fruitless and wasteful expenditure, etc.)				
Confirmed balance relating to Fleet Management	20	2,166	-2,166	-
Other Debt written off: Ex employees	8	240	-5	235
Recoverable Revenue Written Off	8	-	5	5
Irregular Expenditure	23	106,617	1,548	108,165
Net effect		109,023	-618	108,405

A total of R2,166 million for prior year under Other Government Entity, has been removed as it was incorrectly reported on Annexure 5. This transaction was correctly reported under Note 20: Accruals. Prior year error amounting to R5 thousand relating to recoverable revenue emanating from ex-employee debt has been corrected. Irregular expenditure amounting R1,967 was understated. Final determination was conducted resulting in an increase on the amount reported. Overstatement of R419 thousand relating to catering has been corrected.

34. Matters affecting the Going Concern assumption

Although the Department had a positive bank balance of R23, 222 million on 31 March 2022, funds still to be surrendered exceed this amount by R2,547 million. This will be covered in the 2022/23 budget. Furthermore, accruals and payables of R7,372 million will decrease the 2022/23 budget available for spending. An amount of R9,640 million has been requested as a rollover, and the additional funds will be available during the Adjustment budget if approved. The outstanding amount of R91, 647 million, interest payable of R135 thousand is not affordable as only R30 million is budgeted for in the 2022/2023 financial year. The extent of the accruals and payables may create a material uncertainty that casts significant doubt on the Department's ability to meet its financial obligations as they fall due, and on the achievement of key service delivery projects as outlined in the Department's annual performance plan.

**DEPARTMENT OF SOCIAL DEVELOPMENT)
VOTE 7**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

35. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2020/2021	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (Over spending)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Social Sector-EPWP Grant	20,320				20,320	20,320	19,720	600	97%	20,608	20,595
Early Childhood Development Grant	63,533	37,336	10,702		111,571	111,571	86,384	25,187	77%	94,648	47,168
TOTAL	83,853	37,336	10,702		131,891	131,891	106,104	25,787		115,256	67,763

The Department confirms that transfers totalling R131,891 million was deposited into the primary account of the province and transferred to the departmental PMG account.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

36. COVID 19 Response Expenditure

	<i>Note Annexure 11</i>	2021/2022 R'000	2020/2021 R'000
Compensation of employees		6,996	3,684
Goods and services		3,018	42,671
Transfers and subsidies		17,359	7,902
Expenditure for capital assets		-	1,391
Total		27,373	55,648

Included in the amount of R27,373 million is the R17,359 million for ECD Stimulus Relief Fund

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

**ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2020/2021
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Health and Welfare Sector Education and Training Authority (HWSETA)	2,320	-	(2)	2,318	2,310	100%	2,192
South African Broadcasting Corporation (SABC)	28	-	(28)	-	-	-	328
TOTAL	2,348	-	(30)	2,318	2,310	-	2,520

Unaudited Supplementary Information

**DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7**

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

	TRANSFER ALLOCATION				EXPENDITURE		2020/2021
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
NON-PROFIT INSTITUTIONS	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Services to Older persons	55,325	-	(1,198)	54,127	54,127	98%	51,317
Services to persons with disability	28,586	-	-	28,586	28,380	99%	27,045
HIV/AIDS	17,013	-	962	17,975	17,975	106%	22,360
Care and Services to Families	5,645	-	-	5,645	5,644	100%	5,134
Child Care and Protection	38,108	-	-	38,108	38,297	100%	35,916
ECD and Partial Care	333,486	-	-	333,486	314,345	94%	320,374
Child and Youth Care Centres	53,760	-	-	53,760	53,758	100%	52,144
Comm Based Care Services for Children	15,267	-	-	15,267	14,471	95%	13,741
Crime Prevention and Support	3,033	-	(176)	2,857	2,856	94%	2,990
Victim Empowerment	12,019	-	-	12,019	11,653	97%	12,608
Substance Abuse and Rehabilitation	8,366	-	-	8,366	8,366	100%	8,031

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Poverty Alleviation and Sustainable Livelihoods	30,018	-	(864)	29,154	29,155	97%	5,928
Youth Development	617	-	(342)	275	275	45%	451
Women Development	477	-	(77)	400	400	84%	1,120
Corporate Management Services	19,664	-	(5,200)	14,464	14,464	74%	15,922
	621,384	-	(6,895)	614,489	594,166		575,081
Subsidies							
TOTAL	621,384	-	(6,895)	614,489	594,166		575,081

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

	TRANSFER ALLOCATION				EXPENDITURE		2020/2021
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
Transfers							
Leave gratuity	1,120	-	2,196	3,316	2,362	71%	2,311
Injury on duty	-	-	-	-	8	-	-
Pension penalty	-	-	-	-	946	-	-
	1,120	-	2,196	3,316	3,316		2,311
Subsidies							
TOTAL	1,120	-	2,196	3,316	3,316		2,311

In terms of section 16(6) of Public Service Regulation, a total number of 5 departmental officials were approved for early retirement and the department carried the penalty liability. DPSA Circular, February 25, 2019.

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2021/2022	2020/2021
		R'000	R'000
Received in cash			
Subtotal			
Received in kind			
Provincial Treasury	PPE for COVID 19 (Various Items)	-	1,196
Nurture Care Group	Wheelchairs	43	-
Nurture Care Group	Medical Beds	17	-
N Mahoko	Clothes and rechargeable lights	7	-
Subtotal		67	1,196
TOTAL		67	1,196

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**ANNEXURE 1J
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE**

NATURE OF GIFT, DONATION OR SPONSORSHIP	2021/2022	2020/2021
	R'000	R'000
Made in kind		
Donations of food parcels during Covid-19 Lockdown	-	5,197
Donations of mattress, dignity packs and blankets during Covid-19 Lockdown	-	747
Donations of sanitizer stands to ECD Centres in preparation for re-opening under Lockdown	-	495
Donations of water tanks to ECD Centres	-	1,969
Assets Donated (Capital and Minor Assets)	653	-
TOTAL	653	8,408

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

**ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2022**

	Opening Balance 1 April 2021	Liabilities incurred during the year	Liabilities paid/cancelle d/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2022
Nature of Liability	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Bobby Alexander Armour	30	-	-	-	30
Finbond Group LTD	82	-	-	-	82
Arbitration Award		880			880
Subtotal	112	880	-	-	992
TOTAL	112	880	-	-	992

The Department has a total of 9 other claims that are regarded as not sounding in money as the amounts cannot be determined at this stage

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**ANNEXURE 4
CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2021/2022 *	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
FS: COGTA	-	-	-	185	-	185		
FS: SACR	-	847	-	-	-	847		
KZN: SOCDEV	-	-	75	75	75	75		
FS: Health	1	-	-	-	1	-		
	1	847	75	260	76	1,107		
Other Government Entities								
TOTAL	1	847	75	260	76	1,107		

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**ANNEXURE 5
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2021/2022 *	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
FS: Treasury	-	-	-	153	-	153	-	-
FS: Premier	22	-	1	-	23	-		
Department of Justice	126	-	-	-	126	-		
Subtotal	22	-	1	153	23	153	-	-
Non-current	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
TOTAL	148	-	1	153	149	153	-	-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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OTHER GOVERNMENT ENTITY

Current	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Total other government entities	-	-	-	-	-	-	-	-
TOTAL INTERGOVERNMENT PAYABLES	148	-	1	153	149	153	-	-

A total of R2,166 million for prior year under Other Government Entity, has been removed as it was incorrectly reported on Annexure 5. This transaction was correctly reported under Note 20: Accruals.

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 6
INVENTORIES**

Inventories for the year ended 31 March 2022

	Inventory: Food & Food Supplies R'000	Inventory Material and Supplies R'000	Inventory Other Suppliers R'000	Insert major category of inventory R'000	TOTAL R'000
Opening balance					
Add/(Less): Adjustments to prior year balances	-	-			
Add: Additions/Purchases – Cash	184	359			543
Add: Additions - Non-cash			67		67
(Less): Disposals					
(Less): Issues	(184)	(359)			(543)
Add/(Less): Received current, not paid (Paid current year, received prior year)					
Add/(Less): Adjustments					
Closing balance	-	-	67		67 -

The R67 thousand worth of Inventory is yet to be distributed.

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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Inventories for the year ended 31 March 2021

Opening balance

Add/(Less): Adjustments to prior year
balances

Add: Additions/Purchases – Cash

Add: Additions - Non-cash

(Less): Disposals

(Less): Issues

Add/(Less): Received current, not paid
(Paid current year, received prior year)

Add/(Less): Adjustments

Closing balance

Inventory: Food & Food Supplies R'000	Inventory Material and Supplies R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	TOTAL R'000
5,643	31,412			37,055
(5,643)	(31,412)			(37,055)
-	-	-	-	-

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 7
MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	2,091	271	-	2,362
Dwellings				
Other fixed structures	2,091	271	-	2,362
TOTAL	2,091	271	-	2,362

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	66,478		9,401	(73,788)	2,091
Other fixed structures	66,478		9,401	(73,788)	2,091
TOTAL	66,478		9,401	(73,788)	2,091

ANNEXURE 11
COVID 19 RESPONSE EXPENDITURE
 Per quarter and in total

Expenditure per economic classification	2021/2022					2020/2021
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	1,542	1,212	2,106	2,136	6,996	3,684
Goods and services	697	1,035	392	894	3,018	42,671
<i>List all applicable SCOA level 4 items</i>						
Contractors	4	-	-	-	4	153
Agency & Support/ Outsourced Services	-	-	-	-	-	243
Inv: Food & Food Supplies	19	42	5	54	120	5,462
Cons Supplies	53	622	189	680	1,544	2,270
Property Payments	621	371	198	160	1,350	4,302
Venues & Facilities	-	-	-	-	-	2,388
Inv Material and Supplies						27,853
Transfers and subsidies	-	7,413	7,447	2,499	17,359	7,902
<i>List all applicable SCOA level 4 items</i>						
<i>ECD Stimulus Relief</i>		7,413	7,447	2,499	17,359	7,902

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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Expenditure for capital assets

-	-	-	-	-	1,391

List all applicable SCOA level 4 items

Other machinery & Equipment

-	-	-	-	-	1,391
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Other expenditure not listed above

List all applicable SCOA level 4 items

TOTAL COVID 19 RESPONSE EXPENDITURE

2,239	9,660	9,945	5,529	27,373	55,648
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