social development

Department of
Social Development
FREE STATE PROVINCE

Free State Department of Social Development ANNUAL REPORT 2022/2023

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SOUTH AFRICAN COUNCIL FOR SOCIAL SERVICE PROFESSIONS

DEPARTMENT OF SOCIAL DEVELOPMENT

PROVINCE OF FREE STATE

VOTE NO. 7

ANNUAL REPORT

2022/2023 FINANCIAL YEAR

Contents

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 MEC

As we present this Annual Report of 2022/23 which bears testimony to its commitment to provide a basket of services to the province's most vulnerable citizens, we are mindful of the challenges that we are faced with especially budget cuts vis-à-vis the rising social ills.

The seven key priority areas illustrious in MTSF 2019-24 guide government work and contain a set of specific targets backed by performance indicators, setting the country on a positive path to achieving the national development goals.

While our Department is expected to contribute integrally in all the priorities, its focus area as a leading Department is on Priority 4: Consolidating the social wage through reliable and quality basic services.

This priority focuses on a multi-dimensional nature and extent of inequality and poverty that cyclically perpetuates vulnerability of the poor households.

To address this challenge, there is a need for a comprehensive, inclusive and responsive social protection system to ensure resilience of citizens. Integrated and effective coordinated social protection is critical for reducing impact of vulnerabilities through income security and protecting human capital during transition from social vulnerability to community resilience.

Despite the challenges, we remain focused on our strategic priorities to ensure that children, women, persons with disabilities and the elderly are provided with psycho-social support, strengthening families, supporting individuals and families with substance use disorder as well as horrendous cases of gender-based violence and femicide.

We acknowledge the hardships that many individuals and families experience due to substance use disorders. The Department's purpose, through Local Drug Action Committees (LDACs) and the Substance Abuse Programmes, is to design and implement integrated services that gives effect to the National Drug Master Plan of 2019-2024.

As we look forward to this new financial year, we will continue to sharpen the strategic focus of the Department and combat poverty, address social ills, and promote social inclusion as part of our plans for ensuring that we meet the needs of our communities.

My sincere appreciation goes to Social Development family, the South African Social Security Agency, the National Development Agency, the Non-Governmental, Community Based and Faith Based Organisations for their unwavering support in the provision of developmental services to those in need amidst economic turbulence.

This report would not be possible without the commitment and dedication of our stakeholders, management, and staff of the department led by Adv. TJ Phahlo, at the provincial office, district, and service point level.

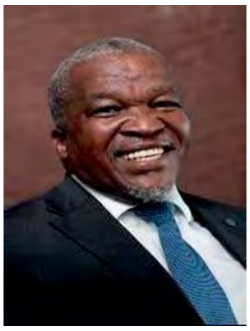
These individuals are the core reason behind this Department's ability to contribute to changing the lives of the residents of the Province. Your collective efforts has become a firm foundation for improvement in the new financial year.

Let us unite and keep working together to build a caring society and overcome those social challenges that stand in the way of the total liberation of all our people in Free State Province.

Ms. M Koloi
MEC of the Department of Social Development
Date: 16 August 2023

4. REPORT OF THE ACCOUNTING OFFICER

- **Overview of the operations of the department:**



The Revised MTSF 2019-2024 demonstrates government's commitment to transparency and accountability across all spheres of government. Government is determined to build a capable ethical developmental state, where there is accountability from the highest to the lowest level of the public service.

The effects of social vulnerability in South Africa are that socially vulnerable groups (those with fewer resources, unemployed, and without high school certificate) are at a greater risk of experiencing food insecurity.

Social Development, as a sector, agreed on the three outcomes to be pursued during the MTSF in order to realise its objectives, namely:

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

Our service delivery environment is accentuated by a higher demand for social work services in communities because of, inter alia, Gender Based Violence, Substance Abuse, Disintegrating and dysfunctional families, child abuse and other social problems.

Let me provide some **highlights in our set of achievements** on our mission to fight and address the above social ills during the period under review.

Violence Against women and children:

The fight against Gender Based Violence remains top of the priority for the Department, in the previous financial year, the Department was able to launch a GBV shelter is Sasolburg and relocated a Shelter in QwaQwa to a more conducive environment. In addition, we established a Centre that will deal with social problems in Xhariep through Social Behaviour Change Programme.

A campaign for arrest of statutory rapes and fight against cyber sexual grooming of our children was driven as part of the sixteen of days of no violence against children and women. A mass advocacy campaigns were also organised throughout the province to mobilize communities to confront the demon of gender-based violence.

Men Championing Change programmes was implemented, to encourage more men to be "better men" with an emotional intelligence to know when to walk away from a volatile situation. Eighteen (18) NPOs are funded to implement this programme.

Substance Abuse

We are mandated to provide comprehensive services for combating substance abuse aimed at demand and harm reduction through prevention, early intervention and re-integration programmes. Charlotte Maxeke Treatment centre in Botshabelo continues to be functional, and it provides a 12-weeks treatment programme for adults and 8-weeks for adolescent, admitting service users from all 5 districts in the province. The department works with Botshabelo Digital Hub to provide short courses on skills development to service users.
22 service users attended and completed Digital Literacy training programme and were rewarded with certificates of completion.

Beyers Naude Halfway House for substance abuse in Clarens has since admitted 115 service users who completed the treatment programme.

Department has also established a centre in Jacobsdal to deal with social problems through the Social Behaviour Change Programme where there is a chronic problem with substance abuse and many children born with Foetal Syndrome condition.

Services to Older Persons

Care and support services to older persons remain a focus area of intervention with emphasis to community-based services to protect and promote the rights of older persons. 6 090 older persons were reached through prevention services.

Child Care and protection services

The department remains the custodian of the Children's Act and has the responsibility to ensure that children's rights are protected. To this end the department has rendered related services to 15 669 beneficiaries. Despite limited resources we continue to selflessly provide much needed services to vulnerable children.

Poverty alleviation

Poverty continues to pose a challenge in many households leading to their vulnerability. While the eradication remains the long-term goal, the department provided short term relief through food security programmes and provision of nutritious meals at different facilities (CNDCs, Community-Based Care for older persons and drop-in centres). A total number of 25 398 beneficiaries was reached. Additional four new Community Nutrition Development Centres were establish in the following areas: - Qwa-Qwa (One for Royal Houses of Bakoena and one for Royal Houses of Batlokoa); Thaba Nchu (Royal Houses of Barolong); and Jacobsdal.

We have completed the renovation of a Provincial Food and Clothing bank structure where we will provide material assistance in the form of blankets, mattresses, clothing, dignity packs and food parcels to the affected impoverished households and communities in the various districts of the province.

Employment Equity

- ✓ ***Gender Representativity***

The Department of Social Development remains a lead department in terms of diversity management and has the highest female SMS representation. Female representativity on senior management level comprise of 65% Women vs 35% Males

- ✓ ***Disability representativity***

Regarding disability representation, the department has surpassed the national norm of 2% by appointing 5,7% (109 employees) with disabilities across all levels including Senior Management echelons.

- **Overview of the financial results of the department:**

The Free State Department of Social Development spent 99.9 per cent (R1,216,120 billion) of its final appropriation of R1,217,709 billion in the 2022/23 financial year. The preliminary outcome for 31 March 2023 reflects an unspent surplus of R1,589 million within the vote.

Departmental receipts

Departmental receipts	2022/2023			2021/2022		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	955	991	(36)	1,049	856	193
Interest, dividends and rent on land	29	49	(20)	28	0	28
Financial transactions in assets and liabilities	779	1,238	(459)	531	665	(134)
Total	**1,763**	**2,278**	**(515)**	**1,608**	**1,521**	**87**

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

Programme Expenditure

Programme Name	2022/2023			2021/2022		
	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	361,265	361,265	-	332,072	331,960	112
Social Welfare Services	221,311	221,219	92	244,231	244,120	111
Children and Families	276,106	275,945	161	610,270	585,444	24,826
Restorative Services	206,233	206,233	-	198,534	197,921	613
Development and Research	152,794	151,458	1,336	148,632	148,525	107
Total	**1,217,709**	**1,216,120**	**1,589**	**1,533,739**	**1,507,970**	**25,769**

Virements/roll overs

- **Roll over:**

No roll over from 2022/2023 requested.

- **Virements between programmes and economic classifications**

Programme 1: Administration

The programme has an over expenditure of R12,587,000 and the economic classifications Compensation of Employees, Goods and Services, Non-Profit Institutions and Households overspend.

Programme 2: Social Welfare Services

The programme has an under expenditure of R14,604,000 however the economic classification Households and Payments for Financial Assets overspend.

Programme 3: Children and Families

The programme has an over expenditure of R1,181,000 and the economic classification Compensation of Employees overspend.

Programme 4: Restorative Services

The programme has an under expenditure of R2,219,000, however the economic classification Compensation of Employees overspend.

Programme 5: Development and Research

The programme has an over expenditure of R3,055,000 and the economic classifications Compensation of Employees and Buildings and Other Fixed Structures overspend.

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

3. FINANCIAL IMPLICATIONS

FROM			TO		
PROGRAMME	**ITEM**	**AMOUNT R'000**	**PROGRAMME**	**ITEM**	**AMOUNT R'000**
Programme 1	Machinery and Equipment	(1,292)	Programme 1	Compensation of Employees	1 292
		(1,292)			**1 292**
Programme 2	Compensation of Employees	(8,556)	Programme 1	Compensation of Employees	1 084
			Programme 3	Compensation of Employees	2 548
			Programme 4	Compensation of Employees	3 937
			Programme 5	Compensation of Employees	987
		(8,556)			**8 556**
Programme 2	Goods and Services	(3,987)	Programme 2	Payments for Financial Assets	2 101
			Programme 5	Compensation of Employees	1 886
		(3,987)			**3 987**
Programme 2	Non-Profit Institutions	(3,875)	Programme 1	Non-Profit Institutions	2 214
			Programme 1	Households	765
			Programme 2	Households	227
			Programme 5	Non-Profit Institutions	629
			Programme 5	Compensation of Employees	40
		(3,875)			**3 875**
Programme 2	Non-Profit Institutions	(227)	Programme 5	Compensation of Employees	3 788
Programme 2	Machinery and Equipment	(287)			
Programme 3	Goods and Services	(379)			
	Non-Profit Institutions	(804)			
	Machinery and Equipment	(184)			
Programme 4	Goods and Services	(1,060)			
	Non-Profit Institutions	(648)			
	Machinery and Equipment	(199)			
		(3 788)			**3 788**
Programme 4	Goods and Services	(3 868)	Programme 1	Goods and Services	8 522

FROM			TO		
PROGRAMME	**ITEM**	**AMOUNT R'000**	**PROGRAMME**	**ITEM**	**AMOUNT R'000**
	Machinery and Equipment	(380)	Programme 5	Buildings and Other Fixed Structures	1 020
Programme 5	Goods and Services	(4 005)			
	Machinery and Equipment	(1 290)			
		99 542)			**9 542**
TOTAL		**(31 041)**			**31 041**

Unauthorised, Fruitless and Wasteful Expenditure

No.	Type	Description	Amount R'000	Steps taken
1	Irregular expenditure	Month to Month Catering services at Government owned Institutions.	R12,754	Contract has been awarded.
2	Fruitless and Wasteful expenditure	Interest paid on delayed action towards Court Judgment	R2,666	The amount was beyond department's control due to fiscal challenges. However, ENGO liability has been settled and interest written-off.
No Unauthorised Expenditure has been incurred during 2022/2023 financial year				

Strategic focus over the short to medium term period

The focus for the Social Development Sector is to assist communities in meeting the human and social needs of the poor and vulnerable people in the Free State through various services. Priority areas are:

- Gender Based Violence against Women and Children
- Substance abuse
- Food Security.

Public Private Partnerships

The Department does not have any public private partnerships.

Discontinued key activities / activities to be discontinued

- None

New or proposed key activities

- None

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.
- The supply chain management policy was reviewed and updated in line with the new PPPFA

Gifts and Donations made in kind to related or non-related parties

- None

Exemptions and deviations received from the National Treasury

- None

Events after the reporting date

- None

Other: Matters affecting the going concern assumption

- Although the Department had a positive balance of R1,770 million, funds still to be surrendered exceeded this amount by R1,192 million. This will be covered in 2023/2024 budget. Furthermore, accruals and payables of R8,278 million will decrease the 2023/2024 budget available for spending.
- The R38,315 million payable to ENGO was budgeted for in 2023/2024 and settled in April 2023. The settlement of this amount assisted in improving the financial health of the Department.

Acknowledgement/s or Appreciation

Let me express my profound gratitude to the oversight committees in their proactive roles towards enhancing and ensuring improved levels of accountability by department. With their unwavering support, the department managed to maintain Unqualified Audit Opinion on financial statements and realised an improvement on performance information from Disclaimer to Qualified audit finding.

I would also like to thank NPO partner organisations and all Social Development staff, particularly those working at the front line of service delivery for their continued, collective commitment to providing services to the poor and vulnerable of our province on behalf of management. This has ensured that the Department successfully met most of its service delivery targets under difficult circumstances.

In conclusion, the Department will continue to work with its stakeholders to provide effective services to all who need it.

Approval and sign off

Adv. TJ Phahlo
Acting Accounting Officer
Department of Social Development

Date: 15 August 2023

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 F) 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 2023.

Yours faithfully

Accounting Officer
Adv. TJ Phahlo

Date: 15 August 2023

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.

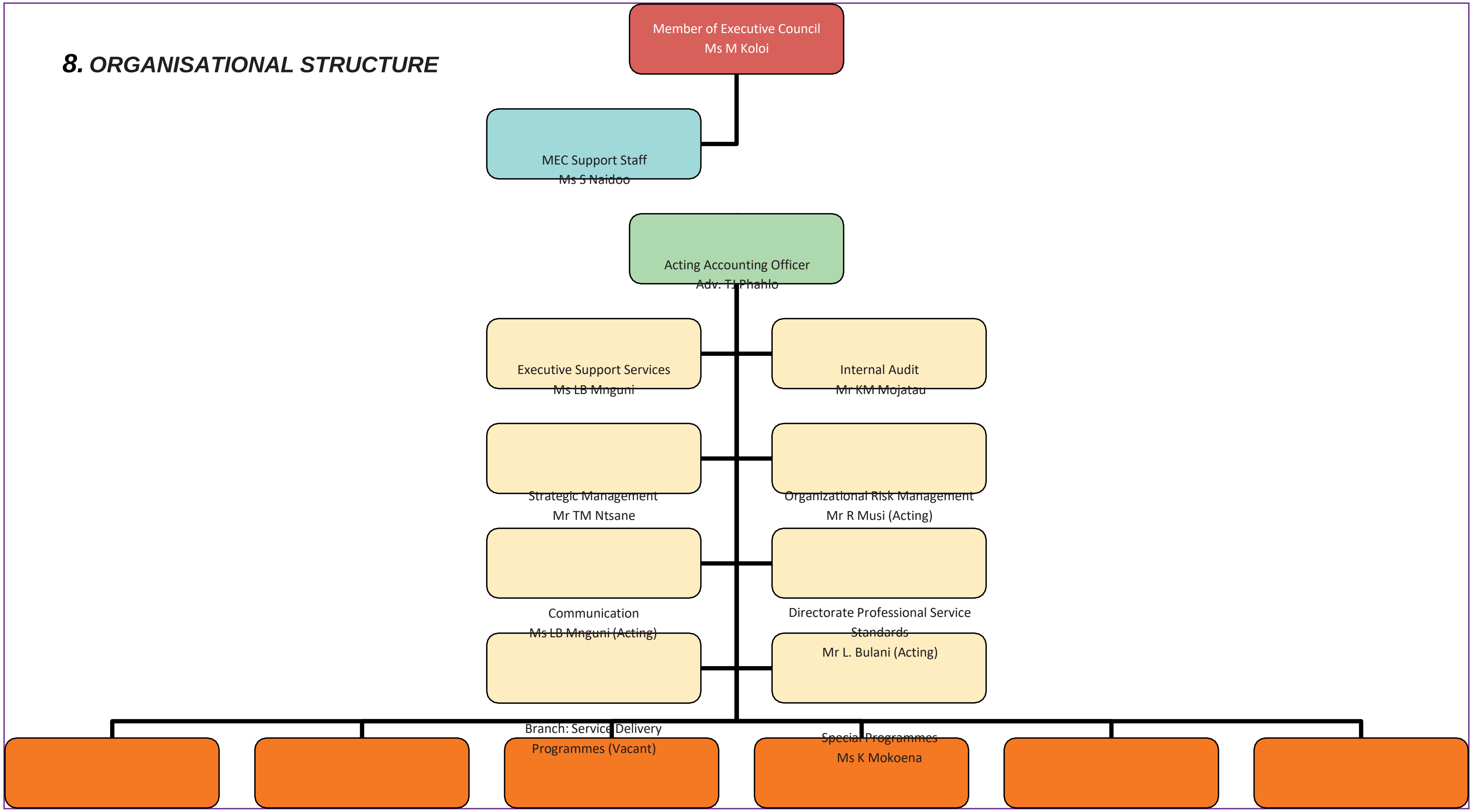
Skills Development Act, 1998 (Act No. 97 of 1998)
The Act provides guidance regarding the development of skills to the South African workforce and these also pertain the human resource development initiatives of the department.

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 MINISTER/MEC

10. 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 performed 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 **96** of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

Shortage of skilled social workers particularly those working with child protection is a serious challenge. The challenge of shortage of social workers persists despite efforts by government to prioritise skilling and absorbing qualified social workers. This poses a challenge for the Department to effectively perform its social welfare responsibilities to the vulnerable societies because social workers play pivotal role in this regard.

The Department is in dire need to improve its competency in this field by absorbing trained social work practitioners to address the social ills with a particular focus on vulnerable groups such as orphaned children in need of foster care, substance abuse victims and victims of gender-based violence.

The Department is funded through voted funds to execute its responsibilities and experienced budget cuts during the period under review. However, due to high demand of services, inadequate access to funds often pose challenge to ensure that the needs of the poor and vulnerable communities are met.

Control mechanisms to ensure proper spending includes budgeting, management, monitoring and auditing to ensure that vulnerable communities receive value of money.

ICT infrastructure such as Computer hardware and software as well as online connection is provided to the human resources to execute their duties.

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

Furthermore, the 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.

In addition, many of the Department's NPO partners have had to cut back on services or ceased operations. This has put additional service delivery pressure on the Department, the knock-on effect of which is an increase in the ratio of clients to social worker – a situation that is currently happening.

As alluded to above there is a need to strengthen competency by recruiting and employing trained social workers to address the challenges as stipulated by the Public Service Regulations through the creation of organizational structure and the posts necessary to perform the relevant functions ofthe Departments and agencies, while remaining within the current budget.

Selected key stakeholders which contribute to the Department's achievement of its planned outcomes include but not limited to the following:

- **Sector Departments and municipalities** which are expected to collectively participate and contribute towards addressing multidimensional vulnerabilities that the poor communities are exposed to. This includes development, implementation and monitoring and evaluation of integrated social protection strategy.
- **The private sector**, through the Public-Private Growth Initiative (PPGI), will ensure that the projects committed to, are implemented in collaboration with the relevant government sector departments. Government will ensure that constraints and inhibitors are urgently addressed, and that duplication of projects and programmes is avoided.
- **Civil society's** greatest contribution will be to strengthen its relationship with government; hold government and private sector accountable; facilitate participatory democracy through non-profit organisations, nongovernment organisations, community-based organisations and all civic structures; and involve communities in their own development.
- **The labour movement** is well equipped to participate, facilitate and collaborate with government and the private sector on the skills revolution that is urgently needed to ensure the Annual performance is implemented and socio-economic development takes place effectively.
- **Informal institutional arrangements** by the community members through investment schemes such as stokvels and burial societies and any form of collective efforts utilised by the community on its own to address vulnerabilities they experience.

Whilst the aforementioned development challenges could affect the Department to optimally carry out its mandate, the Department needs to play a central role towards forging partnership with relevant stakeholders to ensure that vulnerable communities are practically engaged in development initiatives to address the scourge of unemployment, poverty and inequalities amongst the population of the Free State Province by identifying possible opportunities and threats with a view to optimise opportunities and address the threats.

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
Substance Use Disorder Re-integration and After Care Services.	Service users	Shortage of centres/provision of after-care services.	Increased number of organisations providing aftercare services.	Department funded additional organisations to render services
Funding monitoring and evaluation for NPO's	Funded organisations.	Non-compliance by NPOs on submission of Monthly Reports as per MOA	100% compliance	99% - Improved management of funding and submission of expenditure reports

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).	CSO consultation in preparation for the Presidential Social Sector summit was held at Bon Hotel on the 22 July 2022. Staff survey and service delivery assessment were conducted at all districts during October and November months of 2022. Citizen Based Monitoring was conducted in Xhariep district from 6 to 9 March 2023 as a pilot.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Community outreach / roadshows / Imbizos	Road show for information sharing and conduct consultative sessions with NPOs	MEC Imbizo with NPOs was held on 18 October 2022 at Mvelo lodge in Bloemfontein.

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
Customer care services	Fully functional customer complaints management.	Contact details of a dedicated customer care officer are published on departmental website and social media platforms.

2.3 Organisational environment

The Departmental Organisational Structure was last approved on 30 September 2013. The Department is currently reviewing its organizational structure in order to address the latest policy mandates.

During the year under review the department had a total of 2 157 staff of the payroll and this number includes 251 abnormal appointments (Internships and learnerships). This reflect an average of 2090 employees paid, as seen on financial statements, however, as at 31 March 2023, the Department of Social Development employed 1 906 staff members on a permanent, contract and temporary basis.

Limited compensation budget impact negatively on the norms for Social Workers, taking into consideration the increasing social ills. For example, Free State has 2, 93 million population. The norms for Social Workers are 1: 10 000 (Urban Area), and 1:5000 (Rural Area). Free State is predominantly a rural province and therefore, when using the ratio of 1:5000 and 403 Social Workers(field workers) currently employed, the province has a shortage of 183 Social Workers.

It is worth noting that the compensation budget was reduced, and this impacted on the filling of Social Services Professionals and other critical posts. 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.

2.4 Key policy developments and legislative changes

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

3. INSTITUTIONAL IMPACTS AND OUTCOMES

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

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Table 2.4.4.1:

Programme / Sub-programme: Corporate Service Management								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**Reasons for deviations**
Functional, Efficient and Integrated Sector	Fraud Prevention Policy Implemented (Fighting corruption)	Number of risk management and fraud prevention awareness workshop conducted.	20	13	12	13	1	Additional workshop conducted for Learners and interns.
	Financial Management Policy implemented.	Number of Workshops on prevention of Irregular, Fruitless and Wasteful expenditure conducted.	4	4	2	2	-	-
	Compliance	Percentage of valid invoices paid within 30 days.	100%	99%	100%	100%	-	-
	Strengthening the workforce	Number of Service Professionals appointed.	0	27	20	93	73	92 Social workers were appointed on contract.
	Promotion of Professional Service Standard	Number of comprehensive assessments conducted by social workers.	0	310	300	681	381	Assessments were done for all new cases.
		Number of written supervision contracts between social work supervisors and supervisees signed.	0	465	350	353	3	All supervision contracts were signed.

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2022/2023			2021/2022		
	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
Programme 1						
Office of the MEC	8,155	8,128	26	7,280	7,279	1
Corporate Management Services	237,650	236,720	930	207,300	207,262	38
District Management	115,460	116,417	(956)	117,492	117,419	73

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

Sub-programmes:

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

Institutional outcomes:

- 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

Table 2.4.4.2:

Programme / Sub-programme: Services to Older Persons								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performanc e 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievemen t 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**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	1 444	1 546	1 570	1 422	-148	Residential facilities were not full to capacity.
	Provision of Community based services for older persons.	Number of older persons accessing Community based services.	827	3 856	4 809	4 668	-141	Lack of suitable space to operate for 3 NPO's in Xhariep.
		Number of Developmental Programmes implemented in residential facilities.	0	7	6	6	0	-

Table 2.4.4.3:

Programme / Sub-programme: Services to Persons with Disabilities								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**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.	469	669	624	511	-113	Closure of Victory residential facility in Kroonstad.
Empowered, resilient individuals, families and sustainable communities	Empowerment of persons with disabilities and provision of psychological support services	Number of persons with disabilities accessing services in protective workshops.	446	749	786	860	74	Additional protective workshop was funded in Lejweleputswa

Table 2.4.4.4:

Programme / Sub-programme: HIV and AIDS								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**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	200	374	543	517	-26	Down-scaling of organisations due to service reprioritisation.
Empowered, resilient individuals, families and sustainable communities		Number of beneficiaries reached through Social & Behaviour Change Programmes.	7 564	29 767	19 600	22 731	3 131	Mass advocacy campaigns were organised throughout the province to mobilize communities.
		Number of beneficiaries receiving Psychosocial Support Services.	5 500	7 487	6 972	5 720	-1 252	Down-scaling of organisations due to service reprioritisation.

Table 2.4.4.5:

Programme: / Sub-programme: Social Relief								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Reduced levels of poverty, inequality, vulnerability and social-ills.	To provide relief an ease hardship endured.	Number of households who benefitted from Social Relief of Distress.	0	840	1 000	950	-50	Service in needs based.

Sub-programme expenditure

Sub- Programme Name	2022/2023			2021/2022		
	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
Programme 2						
Management and Support	15,157	14,384	773	11,490	11,074	416
Services to Older Persons	117,230	118,376	(1,146)	127,500	131,764	(4,264)
Services to Persons with Disabilities	45,767	45,690	77	58,640	58,435	205
HIV and AIDS	33,133	33,105	28	30,552	30,551	1
Social Relief	10,024	9,664	360	16,049	12,296	3,753

4.3 PROGRAMME 3: 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

Table 2.4.4.6:

Programme: / Sub-programme: Care and Services to Families								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**Reasons for deviations**
Empowered, resilient individuals, families and sustainable communities.	Resilient families.	Number of family members participating in family preservation services.	12 121	11 754	10 372	8 684	-1 688	Poor attendance to scheduled sessions.
		Number of family members reunited with their families.	105	61	53	40	-13	Reunification is needs based and its success depends on the willingness and readiness of parties to participate.
		Number of family members participating in parenting skills programme.	1 688	2 756	3 300	3 276	-24	Participation is voluntary.

Table 2.4.4.7:

Programme: / Sub-programme: Child Care and Protection Services								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**Reasons for deviations**
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.	628	1 298	929	1 222	293	Screening of foster parents decentralised to provinces.
		Number of reported cases of child abuse.	0	1 060	0	1 033	1 033	-
		Number of children with valid foster care orders.	0	24 974	20 641	23 331	2 690	More children over 18 years applied to remain in the system in terms of Section 176.
		Number of children in foster are re-	0	36	21	24	3	Reunification is needs based and

Programme: / Sub-programme: Child Care and Protection Services								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**Reasons for deviations**
		united with their families.						its success depends on the willingness and readiness of parties to participate.

Table 2.4.4.8:

Programme: / Sub-programme: ECD and Partial Care								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**Reasons for deviations**
Empowered, resilient individuals, families and sustainable communities .	Quality ECD services provided.	Number of registered partial care facilities.	0	45	135	128	-7	Delayed assessments of compliance by Health and safety inspectors
		Number of children accessing registered partial care facilities.	0	755	2 762	3 411	649	High attendance at organised school camps during holidays.

Table 2.4.4.9:

Programme: / Sub-programme: Child and Youth Care Centre								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**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.	1119	1 183	1 230	1 187	-43	Variance for provision of emergency placements.
		Number of children in CYCCs re-unified with their families.	0	151	75	98	23	Reunification is needs based and its success depends on the willingness and readiness of parties to participate.

Programme: / Sub-programme: Child and Youth Care Centre								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**Reasons for deviations**
		Number of Individual Develop-mental Plans (IDP) for children in CYCCs reviewed.	0	125	188	184	-4	More children re-unified.

Table 2.4.4.10:

Programme: / Sub-programme: Community Based Care Services for Children								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**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.	0	16 691	8 220	11 047	2 827	The service is demand driven.
		Number of sites/ communities where children could access services.	35	35	35	34	-1	One site in Edenburg closed.
		Number of Child and Youth Care Workers providing community-based care services	408	326	329	317	-12	One (1) Child and Youth Care Worker passed away and others resigned.

Sub-programme expenditure

Sub- Programme Name	2022/2023			2021/2022		
	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
Programme 3						
Management and Support	0	0	0	0	0	0
Care and Services to Families	28,571	28,788	(217)	30,948	30,944	4
Child Care and Protection	98,842	98,837	5	101,327	102,503	(1,176)
ECD and Partial Care	12,269	12,060	209	351,785	326,595	25,190

Sub- Programme Name	2022/2023			2021/2022		
	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
Child and Youth Care Centres	122,353	122,432	(79)	110,358	110,354	4
Community Based Care Services for Children	14,071	13,828	243	15,852	15,048	804

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

Table 2.4.4.11:

Programme: / Sub-programme: Crime Prevention and Support								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**Reasons for deviations**
Reduced levels of poverty, inequality, vulnerability and social ills Empowered, resilient individuals, families and sustainable communities	Implementation of diversion programmes. Implementation of Social Crime Prevention Programmes.	Number of persons reached through Social Crime Prevention Programmes.	1 637	11 598	10 140	16 731	6591	Invitations from schools in partnership with SAPS to raise awareness on effects of crime.
		Number of persons in conflict with the law who completed diversion programmes.	100%	1 210	1 076	628	-448	Completion is dependent on attendance and compliance by clients.
		Number of children in conflict with the law who accessed Secure Care Centres.	0	157	150	111	-39	The service depends on the referral from Department of Justice.

Programme: / Sub-programme: Crime Prevention and Support								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**Reasons for deviations**
		Number of Developmental Programmes implemented at Secure Care Centre.	0	5	5	6	1	Additional programme implemented by Thabo Mofutsanyana Secure Care.

Table 2.4.4.12:

Programme: / Sub-programme: Victim Empowerment								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**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.	132%	9 851	12 751	4 728	-8023	Service is voluntary and needs based.
		Number of human trafficking victims who accessed social services.	100%	7	0	2	2	The reported cases from Mangaung Metro.
		Number of victims of Gender Based Violence Femicide and Crime (GBVF) who accessed sheltering services.	0	237	133	215	82	Two additional shelters were operationalized in August 2022.
		Number of beneficiaries reached through Gender Based Violence Prevention Programmes.	0	22 183	17 250	33 433	16 183	Standing Orange Day awareness campaigns contributed in reaching more beneficiaries

Table 2.4.4.13:

Programme: / Sub-programme: Substance Abuse, Prevention and Rehabilitation								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**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.	18 356	50 462	43 331	46 967	3 636	-
	Provision of rehabilitation services.	Number of Service Users who accessed Substance Use Disorder (SUD) treatment services.	864	1 355	1 511	732	-779	- Service is voluntary. - Delayed detoxification services by Department of Health results in delays for admission.
		Number of Service Users who accessed Substance Use Disorder Re-integration and After Care Services.	58	377	374	472	98	Additional organisation funded to render after care services.

Sub-programme expenditure

Sub- Programme Name	2022/2023			2021/2022		
	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
Programme 4						
Management and Support	799	443	356	746	745	1
Crime Prevention and Support	84,857	85,042	(185)	80,800	82,920	(2,120)
Victim Empowerment	35,240	34,036	1,204	35,924	33,914	2,010
Substance Abuse Prevention and Rehabilitation	85,337	86,712	(1,375)	81,064	80,342	722

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.

Sub-programmes:

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

Institutional outcomes:

- 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

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Table 2.4.4.14:

Programme: / Sub-programme: Community Mobilisation								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**Reasons for deviations**
Empowered, resilient individuals, families and sustainable communities .	Community mobilised	Number of people reached through community mobilisation programmes.	0	2 986	2 380	2 929	549	High turn up as attendance is voluntary

Table 2.4.4.15:

Programme: / Sub-programme: Institutional Capacity Building and Support for NPOs								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**Reasons for deviations**
Functional, efficient and integrated sector.	NPOs capacitated and supported	Number of NPOs capacitated.	977	2 400	962	1 406	444	More NPOs attended the capacity Building Sessions.
	Functional Structures established.	Percentage of funded NPOs monitored for compliance.	82%	100%	100%	99%	-1%	Some NPOs were temporarily suspended due to non-compliance
		Number of integrated and coordinated NPO Forums established.	1	3	1	1	-	-

Table 2.4.4.16:

Programme: / Sub-programme: Poverty Alleviation and Sustainable Livelihoods								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**Reasons for deviations**
Reduced levels of poverty, inequality, vulnerability and social ills.	CNDCs supported.	Number of people benefitting from poverty reduction initiatives.	0	1 621	587	1,366	779	The over achievement is as a result of the revival of the Food Gardening projects in Thabo Mofutsanyana.

Programme: / Sub-programme: Poverty Alleviation and Sustainable Livelihoods								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**Reasons for deviations**
		Number of households accessing food through DSD food security programmes.	0	7 332	812	960	148	The Food Gardening projects in Thabo Mofutsanyana were revived which led to increased number of households being reached.
		Number of people accessing food through DSD feed programmes (centre-based)	7 814	26 262	19 988	25 398	5410	More people accessed DSD Centres due to increasing levels of poverty and unemployment
	Vulnerable individual and households linked to community development initiatives.	Number of cooperatives linked to economic opportunities.	0	30	24	44	20	Attendance is Voluntary

Table 2.4.4.17:

Programme: / Sub-programme: Community Based Research and Research and Planning								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**Reasons for deviations**
Functional, efficient and integrated sector.	Community Based Research and Planning.	Number of households profiled.	981	2 464	2,320	2,324	4	-
		Number of Community Based Plans developed.	5	10	11	16	5	Additional plans were developed to accommodate The Deputy Ministers' Visits and projects implemented with Stakeholder.
		Number of Communities profiled.	15	54	39	46	7	Generating Better Livelihoods Project in Partnership with FinMark, NDA and SASSA and the Outreach Campaigns led to the Profiling of Additional towns, i.e., Virginia, Oppermansgrond

Table 2.4.4.18:

Programme: / Sub-programme: Youth Development								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**Reasons for deviations**
Empowered, resilient individuals, families and sustainable communities	Youth Development Programmes provided.	Number of youth development structures supported.	8	71	22	23	1	Additional structure supported through training.
		Number of youth participating in skills development programmes	261	592	450	517	67	The training was conducted in collaboration with SEDA.
		Number of youth participating in youth mobilization programmes	0	1 392	1 290	2 603	1 313	Attendance is Voluntary. Rising unemployment levels.

Table 2.4.4.19:

Programme: / Sub-programme: Women Development								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**Reasons for deviations**
Empowered, resilient individuals, families and sustainable communities	Women supported through skills and funding	Number of women participating in empowerment programmes.	0	892	407	1 067	660	High turn-up at the widows dialogues held in the Second and the Third Quarters.
		Number of women empowerment initiatives supported	10	13	12	21	9	More NPOs approached the department for assistance.

Table 2.4.4.20:

Programme: / Sub-programme: EPWP								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**Reasons for deviations**
Reduced levels of poverty, inequality, vulnerability and social-ills.	Work opportunities created.	Number of EPWP work opportunities created.	5 640	5 611	1,000	1,065	65	Additional work opportunities were created from the Equitable Share.

Table 2.4.4.21:

Programme: / Sub-programme: Population Policy Promotion								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2020/2021**	**Audited Actual Performance 2021/2022**	**Planned Annual Target 2022/2023**	****Actual Achievement 2022/2023**	**Deviation from planned target to Actual Achievement 2022/2023**	**Reasons for deviations**
Empowered, resilient individuals, families and sustainable communities	Population policy promoted	Number of population capacity development sessions conducted.	2	4	0	0	-	-
		Number of Population Advocacy, Information, Education and Communication (IEC) activities conducted.	7	7	6	6	-	-
		Number of Population Policy Monitoring and Evaluation Reports produced	0	0	0	0	-	-
		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	2022/2023			2021/2022		
	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
Programme 5						
Management and Support	3,940	3,960	(20)	4,025	4,025	0
Community Mobilisation	3,262	2,699	563	3,184	3,184	0
Institutional Capacity Building and Support for NPOS	14,741	14,746	(5)	14,645	14,645	0
Poverty Alleviation and Sustainable Livelihoods	62,498	60,207	2,291	58,086	57,991	95
Community Based Research and Planning	15	14	1	0	0	0
Youth Development	63,125	63,827	(702)	62,117	62,116	1
Women Development	9	691	(682)	1,344	1,343	1
Population Policy Promotion	5,204	5,314	(110)	5,231	5,221	10

Strategy to overcome areas of under performance

Department conduct monthly performance monitoring to follow-up on implementation of plans. Departmental quarterly performance reviews are held to discuss programmes performance and strategies to address underperformance. Strategic and operational risks are in place and monitored quarterly.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

Department incorporated all standardised indicators in the Annual Performance Report and has reported on all planned indicators.

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 2022 to 31 March 2023

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	51 534	51 534	-
NPOs	Services to Older Persons	Create an environment that enables promotion of the development of older persons and protection of their rights	Yes	45 427	45 427	-
NPOs	Services to Persons with Disabilities	Protects and promote the rights of people with disabilities including social security rights	Yes	20 009	19 984	-
NPOs	HIV and AIDS	Reduce the incidence and minimize the psycho-social impact of HIV and AIDS	Yes	20 683	20 770	-
NPOs	Care and Services to Families	Create an environment that enables the promotion of functional families and prevention of their vulnerability	Yes	5 772	5 772	-
NPOs	Child Care and Protection	Ensure the provision of quality services to children and youth including those in need of care and protection	Yes	39 527	39 527	-
NPOs	ECD and Partial Care	Ensure the provision of quality early childhood development services to children	Yes	10 682	10 682	-
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	65 268	65 268	-
NPOs	Community Based Care Services to Children	Protect, care and support vulnerable children in communities	Yes	13 317	13 317	-

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	Crime Prevention and Support	Reduce crime and provide diversion programmes	Yes	3 042	3 042	-
NPOs	Victim Empowerment	Reduce the risk of sexual and physical violence against women (gender-based violence)	Yes	12 624	12 625	-
NPOs	Substance Abuse Prevention and Rehabilitation	Reduce substance abuse and provide rehabilitation programmes	Yes	7 918	7 918	-
NPOs	Poverty Alleviation and Sustainable Livelihood	Implement a comprehensive rural poverty reduction strategy ensuring universal access to basic services	Yes	30 901	29 566	Suspended NPOs
NPOs	Youth Development	Create a cadre of patriotic youth who will support programmes to create caring communities	Yes	622	622	-

The table below reflects the transfer payments which were budgeted for in the period 1 April 2022 to 31 March 2023, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
NPOs Poverty Alleviation and Sustainable Livelihood	Implement a comprehensive rural poverty reduction strategy ensuring universal access to basic services	R327 388	R326 054	Suspended NPOs

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

The table below detail/s the conditional grants and earmarked funds paid by the department.

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 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 694 participants
Actual outputs achieved	694 Participants recruited and stipends paid
Amount per amended DORA (R'000)	R22 034
Amount received (R'000)	R22 034

Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R21 135
Reasons for the funds unspent by the entity	Non-compliant organisation were suspended during the year resulting in unpaid funds.
Reasons for deviations on performance	Achieved
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	N/A

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	N/A
Amount received (R'000)	R737
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R511
Reasons for the funds unspent by the entity	Unspent funds relate to Compensation of Employees and the posts are currently vacant.
Reasons for deviations on performance	N/A programmes were implemented.
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	N/A

Earmarked Funding 2: Violence against Women and 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	33 433 beneficiaries reached through Gender Based Violence Prevention Programmes.

Amount per amended DORA	N/A
Amount received (R'000)	R15 227
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R12 767
Reasons for the funds unspent by the entity	Challenges on securing a site caused delays; as a result all funds was not utilised
Reasons for deviations on performance	Challenges on securing a site caused delays; as a result all funds was not utilised
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	N/A

Earmarked Funding 3: 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	Centre fully operational
Actual outputs achieved	Centre fully operational
Amount per amended DORA	N/A
Amount received (R'000)	R21 791
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R27 680
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	N/A

Earmarked Funding 4: 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	Salaries and related cost of Social Workers
Actual outputs achieved	Social Workers appointed
Amount per amended DORA	N/A
Amount received (R'000)	R16 170
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R9 868
Reasons for the funds unspent by the entity	Underspending due to incorrect placements
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Correct Placement

Earmarked Funding 5: 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	Renovations were done
Amount per amended DORA	N/A
Amount received (R'000)	R2 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R1 925
Reasons for the funds unspent by the entity	Delays in procurement
Reasons for deviations on performance	Insufficient budgets
Measures taken to improve performance	N/A

Monitoring mechanism by the receiving department	N/A

Earmarked Funding 6: NPO Court Judgement NT

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	Increase unit cost for Child and Youth Care centres
Actual outputs achieved	Unit cost was increased to R4 900 per child per month
Amount per amended DORA	N/A
Amount received (R'000)	R25 135
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R25 135
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	N/A

Earmarked Funding 7: NPO Court Judgement PT

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 demonstrates the progressive realization of the remainder of its social services.
Expected outputs of the grant	Increase unit cost for Child and Youth Care centres
Actual outputs achieved	Unit cost was increased to R4 900 per child per month
Amount per amended DORA	N/A
Amount received (R'000)	R12 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R11 950

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	N/A

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	Reach 19 600 beneficiaries
Actual outputs achieved	22,731 beneficiaries reached
Amount per amended DORA	N/A
Amount received (R'000)	R5 651
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R5 151
Reasons for the funds unspent by the entity	Under expenditure as a result of suspended funding to non-complying organizations
Reasons for deviations on performance	Target is achieved
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	N/A

Earmarked Funding 9: Food Relief

Department who transferred the grant	Social Development
Purpose of the grant	Provision of nutritious meals and development programmes to food insecure and vulnerable individuals & Households through Community Nutrition Development Centres (CNDC's)
Expected outputs of the grant	19 988 beneficiaries
Actual outputs achieved	20 730 beneficiaries
Amount per amended DORA	N/A

Amount received (R'000)	R7 404
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R7 110
Reasons for the funds unspent by the entity	Suspension of organisations due to non-compliance
Reasons for deviations on performance	N/A – Target is 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	Social Workers appointed and PPEs and social service support provided
Amount per amended DORA	N/A
Amount received (R'000)	R6 500
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R6 755
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	N/A

7. DONOR FUNDS

7.1. No Donor Funds Received

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

Infrastructure projects	2022/2023			2021/2022		
	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	1,158	1,159	(1)	2,458	0	2,458
Existing infrastructure assets	9,792	9,538	254	20,734	14,240	6,494
- Upgrades and additions						
- Rehabilitation, renovations and refurbishments						
- Maintenance and repairs	9,792	9,538	254	20,734	14,240	6,494
Infrastructure transfer						
- Current						
- Capital						
Total	**10,950**	**10,697**	**253**	**23,192**	**14,511**	**8,681**

PART C:

GOVERNANCE

1. INTRODUCTION

The department has developed policies, guidelines, standard operating procedures and oversight committees to ensure good governance, these are reported below.

2. RISK MANAGEMENT

- The department has a risk management unit and risk management policy and strategy are place and were reviewed and approved.
- Risk assessment is conducted regularly to determine the effectiveness of risk management strategy and to identify new and emerging risks.
- Risk Management Committee was appointed for the new financial ending 31 March 2024 and is chaired by an external independent person. Its role is to advise management on the overall system of risk management, especially the mitigation of unacceptable levels of risk and provide recommendation to the Accounting Officer.
- Reports from the Risk Management Committee are tabled quarterly to the Audit Committee to advice on risk management and independently monitor the effectiveness of the system of risk management.
- In terms of compliance, the department is monitored through bi-annual Key Performance Indicators assessments and evaluation of effectiveness of Risk Management processes and department's performance score reached 90% target set by Provincial Treasury.
- The department is aware of strategic risks it is facing and acknowledges progress in the management of thereof and this has transmitted into improvements in the department's overall performance.
- Risk management unit needs to be capacitated to ensure effective management of risks.

3. FRAUD AND CORRUPTION

- The department has a dedicated sub-directorate placed within the Security Administration, Anti-fraud and Corruption directorate.
- The primary objectives and function of the directorate is to champion policy development and implementation as instruments to fight any possible or perceived elements of fraud and corruption, furthermore, is to oversee daily fraud prevention programs.
- The department has an approved fraud prevention strategy and implementation plan, which deals with four pillars :

  i) **Prevention:**
  It includes among others the awareness campaigns and workshops as part of training and capacity building, background checks on applicants including vetting of permanent staff, policy development and implementation and collaboration with other internal stakeholders as preventative measure.

  ii) **Detection:**
  It is a collaborate effort, which include internal controls, whistleblowing by internal and external stakeholders and direct referral for investigation by other directorates.

iii) Investigation:

The directorate record all reported instance of possible fraud and corruption in fraud incident register of the department and has the primary role to investigate all suspected fraudulent act, issue report to the Accounting officer with findings and recommendation for approval.

iv) Resolution:

All approved investigation reports depending on the nature of the recommendations may trigger action that includes but not limited to; improved internal controls, disciplinary action, criminal investigations and/or recovery of loss where applicable. Investigation were referred to external law enforcement agencies depending on the outcomes of such internal investigations.

- The reporting procedure as entailed in the prevention strategy policy, provides reporting system wherein officials at all levels can report unethical conducts.
- The tip off from anonymous reporting is dealt in accordance with the whistleblowing policy of the department, and it provides mechanisms for employees and member public to retain anonymity when reporting an actual or potential fraud and corruption without fear of retribution.
- Ethics and Anti-Corruption Committee:

  The committee was established in terms of public sector integrity management framework and approved by the accounting officer, its primary role is to monitor the implementation of all policies, strategies, activities inclusive of programmes and plans relating to ethic, anti-fraud, and corruption in the department. They periodically evaluating the effectiveness of the programs and provide strategic direction to all in fight against fraud and corruption within the department

The committee consists of *high-level ranking personnel* appointed by the Accounting Officer from different programmes and was chaired by a member at the level of Chief Director.

4. MINIMISING CONFLICT OF INTEREST

In terms of the Public Service Regulations, 2016 (PSR, 2016) designated employees are required to disclose their financial interests (Chapter 2, Part 2). Disclosure of financial interest is not limited to employees in senior management positions but extended to other categories of employees.

The disclosure of financial interests is a powerful deterrent against unethical and criminal behaviour, as it reminds employees that their behaviour is subject to scrutiny, as the Constitution of the Republic of South Africa, Act 108 of 1996, Section 195 requires that a “high standard of professional ethics must be promoted and maintained”.

For the 2022/23 period, the following categories of designated employees were required to disclose their financial interests:

Category	Due date of disclosure	Total
SMS members	30 April 2022	27
Level 9 (including OSD/personal notches)	31 July 2022	30
Level 10 (including OSD / personal notches)	31 July 2022	104

A total of 161 designated employees disclosed their financial interests using the electronic (eDisclosure) system, as part of a lifestyle review. A Lifestyle Review refers to an amalgamation of reports from a variety of databases (internal and external), which provide a snapshot into certain aspects of the life of an employee. The information is compared to the remuneration of an employee, and an assessment can be made to judge if the employee's lifestyle is commensurate with his/her income. No actual or potential conflicts of interests could be detected during the verification of the financial interests of the designated employees.

In addition to the above, the Directive on other remunerative work outside the employees' employment in the department as contemplated in Section 30 of the Public Service Act, is adhered to, and serves to reduce possible, perceived and potential conflicts of interest.

- Section 30 of the Public Service Act provides as follows: no employee shall perform or engage himself or herself to perform remunerative work outside his or her employment in the relevant department, except with the written permission of the executive authority of the department.
- Subsection (2): For the purposes of subsection (1) the executive authority shall at least take into account whether or not the outside work could reasonably be expected to interfere with or impede the effective or efficient performance of the employee's functions in the department or constitute a contravention of the Code of Conduct, contemplated in section 41 (1) (b) (v) of the Act.
- Regulation 13 (i) (PSR, 2016): An employee shall if he or she has permission in terms of Section 30 of the Act to perform outside remunerative work:
  - Perform such work during official work hours; and
  - Use official equipment or state resources for such work

It is the responsibility of the Ethics Officer to periodically monitor employees who have permission to perform other remunerative work to guard against other remunerative work interfering or impeding the effective or efficient performance of the employee's functions in the department or for possible contravention of the Code of Conduct.

5. CODE OF CONDUCT

Heads of Department have a specific mandate and responsibility to manage the conduct of employees and to instil ethical principles. The Public Service Regulations of 2016, Chapter 2, particularly addresses matters of conduct, financial disclosure, anti-corruption and ethics management.

Lastly, the Code of Conduct also places the duty and the responsibility on employees to behave ethically at all times. Besides these legislative and regulatory responsibilities, there is a general moral responsibility for the Public Service employees to behave ethically and to provide ethical leadership.

All SMS members have signed Code of Good Governance. The code deals with issues of leadership, financial and performance management and governance. The department has appointed an Ethics Officer to assist with ensuring all matters related to Ethics, Governance and Good Conduct are adhered to. Transgressions will be dealt with in accordance with Chapter 2 of the Public Service Regulations, 2016.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The department appointed a Departmental Health and Safety Committee comprising of Executive, Senior Management and all representatives of the trade unions. Health and Safety Committees have also been appointed throughout the provincial, district and institutional levels. The last meeting of the Departmental OHS Committee was held on 27 February 2023.

During the year under review, arrangements were made to train representatives on First Aid Training. Forty-five (45) nominations were submitted, and training was only rolled out on 3 April 2023.

The Department established a Strike Management War Room to respond to the NEHAWU National Strike that commenced on Monday the 6th March 2023, until March 17th, 2023. The War Room met on daily basis during the strike period, to assess the impact of the strike on service delivery, assessing interruptions and work stoppages, and intervention measures. The department was able to mitigate on the possible effects the strike could have on service delivery.

7. PORTFOLIO COMMITTEES

- The dates of the meeting

Meeting Date	Reason for sitting
01 September 2022	Tabling of Annual Performance Plan for 2022-23
O6 September 2022	Consideration of First Quarter Non-Financial Data Report 2022-23
15 November 2022	Tabling of Annual Report for 2021-22
07 March 2023	Consideration of 2nd and 3rd Quarter Non-Financial Data Report 2022-23

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
A (ii)	Non-profit Organisations The Portfolio Committee was concerned about the poor health and safety conditions of certain non-profit organisations (NPO's) that are funded by the department.	The Portfolio Committee resolved that the Accounting Officer should: Implement adequate, efficient and effective monitoring processes to ensure that funds transferred are utilized for the intended purpose.	Department has developed and implemented spreadsheet to be used when analysis of income and expenditure reports are done. a) As part of enhancing controls around the disbursement to and use of funds by the NPOs, the Department has implemented a system that requires the following: - The submission of beneficiary lists with identity numbers - Meeting all the conditions on the compliance certificates as per signed MOA in the preceding quarter. These are required before funds are disbursed by finance section to the approved NPO's. This system requires the districts to closely monitor and analyse the service and financial performance of the NPOs. Subsequently, the District Directors then submit a list of NPOs certified to be compliant with the above terms to	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			the Provincial Office for further analyses and processing. Should these conditions not be met, funds to the affected NPO's will be withheld until such is received from Districts.	
B(i)	The Portfolio Committee was concerned about the irregular expenditure of R16.9 million which was incurred due to non-compliance with SCM requirements. In addition, the full extent of irregular expenditure was still in the process of being determined.	The Portfolio Committee resolved that the Accounting Officer should: Put measures in place to ensure compliance with SCM legislation.	- The SCM policy has been reviewed to be in line with the new National Treasury Instruction Notes. - Verification of the Evaluation Report is done by three officials: Assistant Director (ASD), Compliance Officer (CO) and Deputy Director: Demand and Acquisition (DD) before approval by the Head of Supply Chain Management (HSCM). - SCM delegations were amended to ensure that all deviations above R10 000 are approved by the Accounting Officer. - Supply Chain Management received 6 interns 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 and refresher workshops. - Workshop has been arranged for Irregular and Fruitless and Wasteful expenditure for newly appointed SCM officials on the 7 October 2022	No
C(i)	The Portfolio Committee noted the contingent asset reported by the department for the possible recovery of salaries paid during a strike in March and April 2017.	The Portfolio Committee resolved that the Accounting Officer should: Obtain all the necessary supporting documentation and comply with the conditions of the cases before final conclusion is reached. Implement the recovery of salaries after directive from the National Department has been received.	All the necessary documents regarding the statistics on strike have been obtained, therefore the Department is still awaiting a directive from the National Social Development. There are no changes. The matter remains unresolved between the parties and it seems that chances to recover the money are nil. The employer Department of Social Development and NEHAWU taskteam has not held meetings to address the matter at National Level.	Yes
E(i)	The Portfolio Committee noted with concern that three Centre's were vacated owing to renovations. Contractors did not meet the project milestones.	The Portfolio Committee resolved that the Accounting Officer should: The department must ensure that all facilities are completed as it impacts negatively on the users.	The Department developed the turn-around plan for departmental facilities that clearly sets out the budget needs. Major renovations still continues on the three prioritised institutions.	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
	Furthermore, three other facilities were not fully operational because of the poor condition of the facilities.			
F(i)	The Portfolio Committee noted with concern that during 2018-19 the department transferred R1 million and R9,8 million in the previous three financial years to fund the operations of a youth development project that manufactures sanitary towels in the Thabo Mofutsanyana District.	The Portfolio Committee resolved that the Accounting Officer should: 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 assessment of the viability of the project was conducted by Enslins Accountants and the project was transferred to DESTEA during the 1st quarter of 2022/23 financial year.	Yes
G(i)	The Portfolio Committee resolved that the Accounting Officer must implement measures to ensure that monitoring and evaluation process of the department is effective to detect and correct inconsistencies in underlying control records	The Portfolio Committee resolved that the Accounting Officer should: Review performance information management procedures and put the following measures in place: • Standardize performance information collection tools • Validate information monthly • Internal Audit to verify information quarterly.	1. Validation of reported performance information is conducted monthly, 2. Internal Audit validated information on a quarterly basis	No

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
Irregular Expenditure Compliance procedures on procurement and contract management were not followed on evaluation of quotations. Quotations were not received from at least 3 different suppliers. The general appointment conditions were not followed to appoint contract workers.	2021/2022	The cases of irregular expenditure has been reported and referred to Labour Relations for disciplinary actions to be taken. Internal Controls has been strengthened in the Departmental SCM has ensured that compliance procedures are followed Contracts for employees irregularly appointed have been terminated. The matter is resolved.

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
Fruitless and Wasteful Expenditure Communication of effective steps were not taken to prevent fruitless and wasteful expenditure. The majority of the fruitless and wasteful expenditure was caused by interest paid on the outstanding liability to NPOs.	2020/2021	The Department has made final settlement payment to ENGO and the Accounting Officer has approved the write off of fruitless and Wasteful expenditure due to interest incurred. The matter is resolved.
Performance Management AGSA 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. 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:	2021/2022	Conducted Strategic Management Communication outreach. Conducted monthly validation of reported performance to ensure that only performance substantiated with POE is recorded. Conducted training on One-Drive Performance Reporting System to other officials working on the system or who play an oversight role in batches. The matter is resolved
Consequence Management AGSA was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure and fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA. This was because not all investigations into irregular and fruitless and wasteful expenditure were performed.	2020/2021	Action plan has been developed to finalized backlog cases. The Action Plan is monitored and meeting held to account on progress. In progress
Transfer of Funds 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.	2020/2021	Districts and Programmes are enforcing the implementation of the certification of compliance that must be submitted to Provincial Office, Finance section, before any subsequent payment can be disbursed. Department has developed and implemented spreadsheet to be used when analysis of income and expenditure reports are done. The matter is resolved
Contract Management 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. 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.	2019/2020	The Suppliers have been appointed for three (3) years catering contract to provide catering services for the institutions. Therefore, the quotations basis on catering for institutions has been stopped. The matter is resolved

10. INTERNAL CONTROL UNIT

Work performed by internal control unit during the year.

- Oversight on the development and implementation of the departmental internal control systems, policies and procedures.
- Identified, mitigated and managed control risks which may hamper the achievement of the Department's financial objectives.

- Facilitated and coordinated all assurance services (Internal Audit, Provincial Treasury and Auditor General South Africa).
- Consolidation and submission of monthly and quarterly Key Control Matrix to Provincial Treasury.
- Managed the processes of identification, investigation and reporting of Irregular, Fruitless and Wasteful Expenditure.

11. INTERNAL AUDIT AND AUDIT COMMITTEE

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 6 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 2022/23
- Performance Information
- Control Self-assessment - SCM
- Transfer Payments and NPO Management
- Assets Management
- Follow-up on Auditor General South Africa's 2021/22 Audit and Management Reports and Internal Audit Findings

Audit Findings:

Quarterly Interim and Annual Financial Statements 2022/23

- Internal Audit evaluated the Annual Financial Statements and found some control weaknesses in the draft AFS wherein the final budget amount for Administration, Social Welfare Services, Children and Families and Restorative Services differs from the final budget disclosed on Appropriation Statement (Appropriation per Programme).
- The Total closing balance R42,598,000 of major movable assets could not be accurately corroborated to the Departments Asset Register (Worksheet MASTER) major asset total amount R42,620,843.
- Machinery and Equipment recorded on note 37 under Movable Tangible Capital Assets under investigation differs to the Asset Register (Worksheet UNDER INVESTIGATION).

Management corrected these findings in the draft Annual Financial Statements.

Transfer Payments and NPO Management

- Inadequate capacity to effectively monitor transfer payments - risk management not aligned to department's objectives and strategy
- Non-compliance to the MOA by funded organisations
- No monitoring (financial spending and service) performed by the district officials

- NPO performance progress reports not assessed by the district officials

Assets Management

- Information requested for audit purposes not submitted to Internal Audit (Limitation of scope)
- Deficiencies in the assets register
- Loss Control Policy - Investigations timeframe not stipulated in the policy
- ICT-related items distributed without being recording on the movement forms

Key activities and objectives of the Audit Committee

- The Committee, comprised of five members with background knowledge of Accounting, Risk Management, Auditing as well as Legal.
- The Committee met a total of 6 times and attended 2 Audit Committee Chairpersons Forum meetings convened by Treasury.
- 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 on responsibilities related to Governance, Risk and Internal Control 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 2022/23 financial year were held and attended as follows by members:

The tables below disclose relevant information on the Audit Committee members from 1 April 2022 to 31 March 2023.

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	-	6
Mr. S Ngwenya	CA(SA)	External	-	25 October 2021	-	6
Ms. L Sonqishe	Bachelor – Accounting Sciences, Masters: Business Administration	External	-	25 October 2021	-	6
Adv. ST Kholong	LLB (Law), Project Management, Masters: Business Leadership	External	-	25 October 2021	-	6
Mr. ZW Ngququ	B Proc, Post graduate Diploma – Drafting and Interpretation of contracts	External	-	25 October 2021		6

12. AUDIT COMMITTEE REPORT

FINAL AUDIT COMMITTEE REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Shared Audit Committee (the Committee) is pleased to present its report for the financial year ended 31 March 2023.

The Shared Audit Committee has been constituted in terms of section 77 of Public Finance Management Act read together with section 3.1.1 and 3.1.3 of Treasury Regulations. The Committee is shared between the Department of Social Development and the Department of Sport, Arts, Culture and Recreation.

According to King IV Report on Corporate Governance, Principle 8. The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.

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 members listed below and should meet at least four (4) times per annum as per its approved terms of charter. Members met 6 times for the financial year:

Legend:

Names	Dates of Meetings					
	25 April 2022	27 May 2022	26 July 2022	13 September 2022	26 November 2022	03 March 2023
Mr. M Mohlakoana (Chairperson)	✔	✔	✔	✔	✔	✔
Mr. S Ngwenya	✔	✔	✔	✔	✔	✔
Adv. ST Kholong	✔	✔	✔	✔	✔	✔
Mr. ZW Ngququ	✔	✔	✔	✔	✔	✔
Ms. L Songishe	✔	✔	✔	✔	✔	✔

✔ : 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:

(a) Effectiveness of the internal control systems;
(b) Effectiveness of the internal audit function;
(c) Risk areas of the institution's operations to be covered in the scope of internal and external audits;
(d) Adequacy, reliability and accuracy of the financial and performance information provided to management and other users of such information;

(e) Any accounting and auditing concerns identified as a result of internal and external audits;
(f) The department's compliance with legal and regulatory provisions and
(g) 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 system of 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 then raised with the Department.

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

- Quarterly Interim and Annual Financial Statements 2022/23
- Performance Information
- Control Self-assessment - SCM
- Transfer Payments and NPO Management
- Assets Management
- Follow-up on Auditor General South Africa's 2021/22 Audit and Management Reports and Internal Audit Findings

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

Quarterly Interim and Annual Financial Statements 2022/23

- Findings raised relate to differences in the final budget amount for Programmes amounts disclosed on Appropriation Statement (Appropriation per Programme).
- The total closing balance of major movable assets could not be accurately corroborated to the Departments Asset Register (Worksheet MASTER) major asset.
- Management has since corrected the differences.

Transfer Payments and NPO Management

- Internal Audit raised a number of findings, including effective monitoring of transfer payments, non-compliance to the MOA by some of the funded organisations, inadequate monitoring (financial spending and service delivery) performed by the district officials.
- There were instances where NPO performance progress reports were not assessed by the district officials.

Assets Management

- There were some weaknesses in the control environment instances where asset management information requested for audit purposes were not submitted to Internal Audit (Limitation of scope), some deficiencies identified in the assets register, Loss Control Policy on investigations timeframe not stipulated in the policy and ICT-related items were distributed without being recording on the movement forms.
- At the time of the report, management were still busy with the process of implementation of control measures.

Key activities and objectives of the Audit Committee

- The Committee, comprised of five members with background knowledge of Accounting, Risk Management, Auditing as well as Legal fraternity.
- The Committee met a total of 6 times and members attended 2 Audit Committee Chairpersons Forum meetings convened by Treasury.
- 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 on responsibilities related to Governance, Risk and Internal Control 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.

THE COMMITTEE IDENTIFIED AND RAISED THE FOLLOWING AREAS OF CONCERNS:

- Management not effectively 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 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 were 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 performance information 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 usefulness and reliability of information contained in the annual performance report, this can be achieved by ensuring that the validation process is credible, and all officials 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.

AUDITOR-GENERAL SOUTH AFRICA'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:

Functional Area	% Progress	Details
Irregular Expenditure (SCM)	100%	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.
Irregular Expenditure (Human Resources)	100%	The general appointment conditions were not followed.
Fruitless and Wasteful expenditure	100%	Communication of 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.
Performance Information (Inadequate portfolio of evidence (POE's) submitted)	100%	AGSA 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. 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 some of the indicators.
Transfer Payments	100%	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.
Consequence Management (Contract Management)	100%	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

Functional Area	% Progress	Details
		2020 (PPPFA) and 2017 preferential procurement regulation. 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.

Management has developed an action plan to address the above control deficiencies which are being monitored monthly 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 Annual Performance Report.

RISK MANAGEMENT

The Department has a separate Risk Management Committee presided 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 an elementary stage. The Audit Committee has a concern regarding vacant post of Chief Risk Officer as well as 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 2023 to be included in the annual report;
- Information of the audited performance information to be included in the 2022/23 annual report; and
- The Department's compliance with legal and regulatory provisions.

AUDITOR-GENERAL SOUTH AFRICA

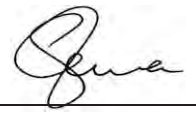
The Audit Committee liaised with the Auditor-General South Africa (AGSA) during the year. We have reviewed the Department's implementation plan for audit findings raised in the previous year and we are satisfied that the matters have, to a significant extent been resolved, though resolved late in the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

The Committee has engaged with and reviewed the AGSA's 2022/23 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.

Management is commended for improvement in the audit outcomes by maintaining and Unqualified Opinion in Annual Financial Statements and obtaining a qualification on performance information. The progressive improvement in the control environment in Governance, Risk and Internal Control are acknowledged.



Mr. M Mohlakoana

Chairperson of the Audit Committee

31 July 2023

Date:

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** (*include a discussion on your response and indicate what measures have been taken to comply*)
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 the 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.

PART D:

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information provided in this part of the annual report is as prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

The Department successfully implemented the migration of the early childhood development to the Department of Education on 1 April 2022. There is a need to appoint key support staff as well as Social Work Supervisors and Community Development Manager for Mangaung District.

The Department has identified key priority areas as interventions to ensure that its workforce is highly skilled, capacitated and ready to implement its mandate accordingly. To this end, training budget was R7,176,000. Additional funds of R2,631,600 was received from HWSETA for Internship Programme and Work Integrated Learning (WIL) programme.

Compensation Budget amounts to 64% of the Budget Vote. The department has however experienced a number of financial challenges arising from budget cuts which resulted in critical post not fully covered by the budget. Budget cuts were implemented on COE: R101,035 million for 2021/22, R136,685 million for 2022/23 and R87,517 million for 2023/24.

With the 2022/23 Adjustment Budget, R19,186 million was allocated to the department for the 3% wage increment for officials on levels 1-12.

The reduction in the baselines of department has a serious impact in the ability of the department to fill all vacant posts. Administration has several critical vacant posts, this is because as people resign, they are not replaced. There were 23 resignations and 25 retirements during the year under review. This puts a burden on the existing officials in their respective units.

There were 1906 employees at the end of the financial year (the number excludes the abnormal appointments i.e Internships and learnerships, amounting to 251).

The department needs to address the slow appointment of employees in the new financial year. There is also a need to appoint key support staff in finance, SMS, Supply chain Management, human resources, infrastructure and ICT. There needs to be an intensified focus on strengthening the institutions with professional staff in order to allow for the registration of said institutions.

The MTEF 2020/21-2022/23 identified the following five (5) priorities:

- ✓ Organizational Development and Design (Organizational structure review)
- ✓ Recruitment, Selection and Evaluation
- ✓ Training and Development
- ✓ Employment Equity
- ✓ Employee health and wellness

The impact of the above human resources priorities is discussed below:

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 continued with the organizational structure review. The process is nearing completion.
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

HR Priority	Impact
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.

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

  - During the Provincial Budget for 2022/23 financial year, the MEC Finance allocated an additional R6.5 million, R6.780 million and R7.085 million over the MTEF for the appointment of 92 social workers.
  - The Annual Recruitment Plan for the Financial Year 2022/23 was developed and submitted to the Department of Finance. The Plan entailed critical funded posts which could be accommodated within the available budget.
  - Advertisements were placed at various intervals, and in each cycle, a plan was developed to fill posts in a phased approach.
  - Bursaries were allocated for the newly introduced degree of Bachelor of Community Development. In addition, priority was placed on two students who pursued Masters Degree in critical areas. In total, the department maintains 14 part-time bursaries for employees in scarce skills posts.
  - Recruitment and retention policy is in place, and is informed by Regulation 44 of the Public Service Regulations, 2016. During the period under review, the policy was applied for OSD-related posts.
  - Norms and standards for social service professionals are approved for Social Workers and Child and Youth Care Workers. National DSD is currently professionalizing Community Development Practitioners. Its norms are being finalized.
  - Masupatsela Pioneers are upgraded to salary level 3. During the year under review, 27 were subjected to security training and were placed in appropriate posts. Additional 59 Pioneers are being trained in Community Development NQF level 5 and will therefore be utilised appropriately.
  - 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.

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.

Performance rewards were implemented for the period of 2021/2022 performance cycle. The department has completed assessments and 1286 officials received notch payments in terms of pay progression. This excludes the 349 officials on top notches and OSD officials who did not qualify for pay progression during the 2021/2022 cycle. In overall, 92% of all assessments were received.

- Employee wellness programmes.

Department is dedicated to promote the health and well-being of employees and has a designated member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001

Employee Assistance or Health Promotion Programme has been introduced for employees. Department focused on establishment of comprehensive OHS committees which also address HIV and Aids programme activities.

NATURE OF CASES	NUMBER OF CASES
Employees who received psycho-social therapy	322
Work related illnesses reported and investigated	19
Mental Health and/ Stress related cases	113

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

The Department successfully implemented skills development initiatives and was able to roll-out technical and specialized training Mediation for Social Work Professionals, Certified Fraud Examiner, Training, Gender Mainstreaming, Project and Programme Management for SMS members, South African Professional Accountant, People Management and Supervisory, Family and Divorce Mediation, Ethics in the Public Service as well as courses that are aimed at continuous professional development and carry necessary CPD points.

A total number of 40 Graduate Interns were in service, as well as 30 TVET Learners. In addition, eighteen Interns funded by BANKSETA and MERSETA were placed in the department, to capacitate NPO with financial management skills.

The Department complied in terms of submitting mandatory reports to the DPSA in respect of the Employee Health and Wellness and received an acknowledgement for consistent adherence on the prescribed submission dates.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2022 and 31 March 2023

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	Average personnel cost per employee (R'000)
Administration	361 265	221 080	0	0	61	423
Social Welfare Services	221 219	122 325	0	0	55	392
Children and Families	275 945	131 968	0	0	48	383
Restorative Services	206 233	169 109	0	0	82	386
Development & Research	151 458	116 766	0	0	77	405
Total	**1 216 120**	***761 248**	**0**	**0**	**63**	**399**
*Total excludes 251 Abnormal Appointments						

Table 3.1.2 Personnel costs by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R)
Lower skilled (Levels 1-2)	34 784	5	167	208 287
Skilled (level 3-5)	247 812	32	896	276 576

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R)
Highly skilled production (levels 6-8)	266 995	34	578	461 929
Highly skilled supervision (levels 9-12)	161 035	21	213	756 033
Senior and Top management (levels 13-16)	33 163	4	24	1 381 792
10 Contract (Levels 1-2)	261	0	0	0
11 Contract (Levels 3-5)	2 753	0	8	344 125
12 Contract (Levels 6-8)	4 763	1	10	476 300
13 Contract (Levels 9-12)	6 596	1	7	942 286
14 Contract (Levels >= 13)	3 662	1	2	1 831 000
20 Abnormal Appointment	22 732	1	251	44 518
TOTAL	**799 555**	**100**	**2 157**	**358 367**
*Total includes 251 Abnormal Appointments				

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2022 and 31 March 2023

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	176 357	77.5	2 017	0.9	8 614	0.9	17 980	7.9
Social Welfare Services	96 708	78	938	0.8	4 792	0.8	10 627	8.6
Children and Families	102 108	76.3	1 377	1	5 494	1	11 267	8.4
Restorative Services	129 975	75.6	2 063	1.2	7 162	1.2	16 150	9.4
Development & Research	89 480	75.1	106	0.1	6 173	0.1	11 467	9.6
Total	***594 628**	**76.6**	**6 500**	0.8	**32 235**	**0.8**	**67 490**	**8.7**
*The total Personnel cost per programme does not i nclude all items reported und er CoE costs, e.g. employer cont ibution on pension								

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personne l costs	Amount (R'000)	Overtime as a % of personne l costs	Amoun t (R'000)	HOA as a % of personne l costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	23 355	67.1	230	0.7	2 549	7.3	5 639	16.2
Skilled (level 3-5)	171 951	69.2	3 835	1.5	15 425	6.2	33 962	13.7
Highly skilled production (levels 6-8)	206 782	77.3	2 032	0.8	10 509	3.9	21 056	7.9
Highly skilled supervision (levels 9-12	349	83.4	378	0.2	3 316	2	6 287	3.9
Senior management (level 13-16)	29 195	86.4	0	0	418	1.2	355	1.1
10 Contract (Levels 1-2)	261	100	0	0	0	0	0.00	0
11 Contract (Levels 3-5)	2 684	97.4	3	0.1	19	0.7	23.	0.8
12 Contract (Levels 6-8)	4 525	94.7	23	0.5	0	0	83	1.7
13 Contract (Levels 9-12)	6 110	91.4	0	0	0	0	41	0.6
14 Contract (Levels >= 13)	3 244	86.2	0	0	0	0	45	1.2
20 Abnormal Appointment	11 173	99.1	0	0	0	0	0.00	0

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
Total	***594 628**	**76.6**	**6 500**	**0.8**	**32 235**	**4.2**	**67 490**	**8.7**

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

3.2 Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2023

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate as a % to establishment	Number of employees additional to the establishment
Administration, Permanent	804	523	35	12
Children And Families, Permanent	429	312	27	1
Development & Research, Permanent	430	345	20	0
Restorative Services, Permanent	551	438	21	3
Social Welfare Services, Permanent	385	288	25	9
Total	**2 599**	**1 906**	**27**	**25**

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2023

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate as a % to establishment	Number of employees additional to the establishment
Lower skilled (1-2)	254	167	34	1
Skilled (3-5)	1 149	896	22	10
Highly skilled production (6-8)	801	578	28	1
Highly skilled supervision (9-12)	327	213	35	1
Senior management (13-16)	40	24	40	0
09 Other, Permanent	1	1	0	0
11 Contract (Levels 3-5), Permanent	8	8	0	2
12 Contract (Levels 6-8), Permanent	10	10	0	4
13 Contract (Levels 9-12), Permanent	7	7	0	5
14 Contract (Levels >= 13), Permanent	2	2	0	1
Total	**2 599**	**1 906**	**27**	**25**

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2023

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate as a % to establishment	Number of employees additional to the establishment
ADMINISTRATIVE RELATED, Permanent	245	136	45	7
AUXILIARY AND RELATED WORKERS, Permanent	109	90	17	6
BUILDING AND OTHER PROPERTY CARETAKERS, Permanent	3	3	0	0
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent	192	169	12	0
CLIENT INFORM CLERKS(SWITCHB RECEPT INFORM CLERKS), Permanent	17	11	35	0
COMMUNICATION AND INFORMATION RELATED, Permanent	7	4	43	0
COMMUNITY DEVELOPMENT WORKERS, Permanent	117	81	31	0
FINANCE AND ECONOMICS RELATED, Permanent	28	7	75	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate as a % to establishment	Number of employees additional to the establishment
FINANCIAL AND RELATED PROFESSIONALS, Permanent	17	9	47	0
FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent	48	35	27	0
FOOD SERVICES AIDS AND WAITERS, Permanent	11	11	0	0
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER, Permanent	1	0	100	0
HOUSEHOLD AND LAUNDRY WORKERS, Permanent	7	7	0	0
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED, Permanent	31	17	45	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	20	16	20	0
HUMAN RESOURCES RELATED, Permanent	10	4	60	0
INFORMATION TECHNOLOGY RELATED, Permanent	12	7	42	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	19	9	53	0
MATERIAL-RECORDING AND TRANSPORT CLERKS, Permanent	17	10	41	0
MEDICAL PRACTITIONERS, Permanent	1	0	100	0
MESSENGERS PORTERS AND DELIVERERS, Permanent	228	206	10	2
NURSING ASSISTANTS, Permanent	30	20	33	3
OCCUPATIONAL THERAPY, Permanent	5	3	40	0
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Permanent	150	74	51	1
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS, Permanent	24	24	0	0
OTHER INFORMATION TECHNOLOGY PERSONNEL., Permanent	3	3	0	0
OTHER OCCUPATIONS, Permanent	1	1	0	0
PROBATION WORKERS, Permanent	2	2	0	0
PROFESSIONAL NURSE, Permanent	29	18	38	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	17	23	1
SECURITY GUARDS, Permanent	6	5	17	0
SECURITY OFFICERS, Permanent	409	312	24	0
SENIOR MANAGERS, Permanent	25	16	36	1
SOCIAL SCIENCES RELATED, Permanent	5	5	0	0
SOCIAL SCIENCES SUPPLEMENTARY WORKERS, Permanent	70	70	0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate as a % to establishment	Number of employees additional to the establishment
SOCIAL WORK AND RELATED PROFESSIONALS, Permanent	495	386	22	4
STAFF NURSES AND PUPIL NURSES, Permanent	10	7	30	0
TRADE/INDUSTRY ADVISERS & OTHER RELATED PROFESSION, Permanent	2	0	100	0
YOUTH WORKERS, Permanent	124	74	40	0
TOTAL	**2 599**	**1 906**	**27**	**25**

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2023

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 14	7	5	71	2	29
Salary Level 13	32	18	56	14	44
Total	**42**	**25**		**17**	

Table 3.3.2 SMS post information as on 30 September 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	0	0
Salary Level 14	7	6	86	1	14
Salary Level 13	32	18	56	14	44
Total	**41**	**25**		**16**	

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2022 and 31 March 2023

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
None			

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 2022 and 31 March 2023

Reasons for vacancies not advertised within six months
Reprioritisation of fund during the period of 2022/23
Reasons for vacancies not filled within twelve months
Reprioritisation of fund during the period of 2022/23

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 2022 and 31 March 2023

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 2022 and 31 March 2023

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
Highly skilled supervision (Levels 9-12)	237	2	0.84	0	0	0	0
Senior Management Service Band A	19	5	26	0	0	0	0
Senior Management Service Band B	5	4	80	0	0	0	0
Total	**261**	**11**	**4**	**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 2022 and 31 March 2023

Gender	African	Asian	Coloured	White	Total
None					

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2022 and 31 March 2023

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/A	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				
Percentage of total employed				

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2022 and 31 March 2023

Gender	African	Asian	Coloured	White	Total
None					

Total number of Employees whose salaries exceeded the grades determine by job evaluation	**None**

3.5 Employment Changes

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Number of employees at beginning of period-1 April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate as a % of employees
Lower skilled (Levels 1-2)	168	0	2	1.2
Skilled (Levels3-5)	904	15	20	2.2
Highly skilled production (Levels 6-8)	612	0	27	4.4
Highly skilled supervision (Levels 9-12)	217	0	9	4.1

Salary band	Number of employees at beginning of period-1 April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate as a % of employees
Senior Management Service Bands A	19	0	1	5.3
Senior Management Service Bands B	5	0	0	0
Senior Management Service Bands C	1	0	1	100
Senior Management Service Bands D	168	0	2	1.2
Contracts	37	2	10	24.8
Total	**1 964**	**17**	**70**	**3.6**

Table 3.5.2 Annual *turnover rates by critical occupation for the period 1 April 2022 and 31 March 2023*

Critical occupation	Number of employees at beginning of period-April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate as a % of employees
Administrative Related Permanent	142	2	5	3.5
Auxiliary And Related Workers Permanent	95	0	5	5.3
Building And Other Property Caretakers Permanent	3	0	0	0
Cleaners In Offices Workshops Hospitals Etc. Permanent	171	0	3	1.8
Client Inform Clerks(Switch board Reception Inform Clerks) Permanent	12	0	1	8.3
Communication And Information Related Permanent	6	0	1	16.7
Community Development Workers Permanent	85	0	4	4.7
Computer Programmers. Permanent	1	0	1	100
Finance And Economics Related Permanent	8	2	2	25
Financial And Related Professionals Permanent	9	0	0	0
Financial Clerks And Credit Controllers Permanent	40	0	2	5
Food Services Aids And Waiters Permanent	11	0	0	0
Household And Laundry Workers Permanent	8	0	1	12.5
Household Food And Laundry Services Related Permanent	17	0	0	0
Housekeepers Laundry And Related Workers Permanent	3	0	0	0
Human Resources & Organisation Development & Related Professionals Permanent	5	0	0	0
Human Resources Clerks Permanent	17	0	1	5.9
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	18	0	0	0
Logistical Support Personnel Permanent	9	0	0	0
Material-Recording And Transport Clerks Permanent	10	0	0	0
Messengers Porters And Deliverers Permanent	234	0	2	0.9
Nursing Assistants Permanent	22	0	2	9.1
Occupational Therapy Permanent	3	0	0	0
Other Administrative & Related Clerks And Organisers Permanent	78	0	6	7.7
Other Administrative Policy And Related Officers Permanent	25	0	1	4
Other Information Technology Personnel. Permanent	4	0	0	0
Other Occupations Permanent	1	0	1	100
Probation Workers Permanent	2	0	0	0
Professional Nurse Permanent	19	0	1	5.3
Psychologists And Vocational Counsellors Permanent	1	0	0	0
Secretaries & Other Keyboard Operating Clerks Permanent	18	0	1	5.6
Security Guards Permanent	9	0	4	44.4
Security Officers Permanent	280	13	8	2.9
Senior Managers Permanent	16	0	1	6.3
Social Sciences Related Permanent	5	0	0	0
Social Sciences Supplementary Workers Permanent	71	0.	1	1.4
Social Work And Related Professionals Permanent	398	0	13	3.3
Staff Nurses And Pupil Nurses Permanent	9	0	1	11.1
Youth Workers Permanent	78	0	2	2.6
TOTAL	**1 964**	**17**	**70**	**3.6**

Table 3.5.3 Reasons why staff left the department for the period 1 April 2022 and 31 March 2023

Termination Type	Number	% of Total Resignations
Death	9	12.9
Resignation	23	32.9
Expiry of contract	10	14.3
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	1	1.4
Retirement	25	35.7
Transfer to other Public Service Departments	2	2.9
Other	0	0
Total	**70**	**100**
Total number of employees who left as a % of total employment		3.7

Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 and 31 March 2023

Occupation	Employees 1 April 2022	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	142	0	0	91	64.1
Auxiliary And Related Workers	95	0	0	45	47.4
Building And Other Property Caretakers	3	0	0	3	100
Cleaners In Offices Workshops Hospitals Etc.	171	0	0	116	67.8
Client Inform Clerks(Switch board Reception Inform Clerks) Permanent	12	0	0	9	75
Communication And Information Related	6	0	0	2	33.3
Community Development Workers	85	0	0	43	50.6
Computer Programmers.	1	0	0	0	0
Finance And Economics Related	8	0	0	4	50
Financial And Related Professionals	9	0	0	7	77.8
Financial Clerks And Credit Controllers	40	0	0	22	55
Food Services Aids And Waiters	11	0	0	3	27.3
Household And Laundry Workers	8	0	0	8	100
Household Food And Laundry Services Related	17	0	0	15	88.2
Housekeepers Laundry And Related Workers	3	0	0	3	100
Human Resources & Organisation Development & Related Professionals	5	0	0	4	80
Human Resources Clerks	17	0	0	13	76.5
Human Resources Related	4	0	0	4	100
Information Technology Related	7	0	0	6	85.7
Library Mail And Related Clerks	10	0	0	8	80
Light Vehicle Drivers	18	0	0	10	55.6
Logistical Support Personnel	9	0	0	4	44.4
Material-Recording And Transport Clerks	10	0	0	6	60
Messengers Porters And Deliverers	234	1	0.4	19	8.1
Nursing Assistants	22	0	0	7	31.8
Occupational Therapy	3	0	0	1	33.3
Other Administrat & Related Clerks And Organisers	78	0	0	54	69.2
Other Administrative Policy And Related Officers	25	0	0	9	36
Other Information Technology Personnel.	4	0	0	2	50
Other Occupations	1	0	0	0	0
Probation Workers	2	0	0	0	0
Professional Nurse	19	0	0	6	31.6

Occupation	Employees 1 April 2022	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
Psychologists And Vocational Counsellors	1	0	0	0	0
Secretaries & Other Keyboard Operating Clerks	18	0	0	12	66.7
Security Guards	9	0	0	2	22.2
Security Officers	280	1	0.4	134	47.9
Senior Managers	16	0	0	3	18.8
Social Sciences Related	5	0	0	1	20
Social Sciences Supplementary Workers	71	0	0	16	22.5
Social Work And Related Professionals	398	5	1.3	178	44.7
Staff Nurses And Pupil Nurses	9	0	0	1	11.1
Youth Workers	78	0	0.	35	44.9
TOTAL	**1 964**	**7**	**0.4**	**906**	**46.1**

Table 3.5.5 Promotions by salary band for the period 1 April 2022 and 31 March 2023

Salary Band	Employees 1 April 2022	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)	168	0	0	109	64.9
Skilled (Levels3-5)	904	2	0.2	360	39.8
Highly skilled production (Levels 6-8)	612	0	0	311	50.8
Highly skilled supervision (Levels 9-12)	217	5	2.3	109	50.2
Senior Management (Level 13-16)	25	0	0	7	28
09 Other, Permanent	1	0	0	0	0
10 Contract (Levels 1-2), Permanent	2	0	0	0	0
11 Contract (Levels 3-5), Permanent	11	0	0	4	36.4
12 Contract (Levels 6-8), Permanent	13	0	0	5	38.5
13 Contract (Levels 9-12), Permanent	7	0	0	0	0
14 Contract (Levels >= 13), Permanent	4	0	0	1	25
TOTAL	**1 964**	**7**	**0.4**	**906**	**46.1**

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 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	5	1	0	0	10	1	0	0	17
Professionals	136	1	0	1	424	15	0	11	588
Technicians and associate professionals	120	2	0	2	210	5	0	11	350
Clerks	56	1	1	2	103	3	0	7	173
Service and sales workers	201	3	0	0	159	1	0	0	364
Plant and machine operators and assemblers	18	0	0		0	0	0	0	18
09 - Labourers And Related Workers	111	2	0	0	280	2	2	0	395
99 - Unknown	1	0	0	0	0	0	0	0	1
Total	**648**	**10**	**1**	**5**	**1186**	**27**	**0**	**29**	**1906**
Employees with disabilities	54	0	0	0	54	0	0	1	109

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2023

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	7	1	0	0	14	1	0	0	23
Professionally qualified and experienced specialists and mid-management	58	1	0	2	134	8	0	10	213
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	165	0	1	3	378	13	0	18	578
Semi-skilled and discretionary decision making	370	8	0	0	512	5	0	1	896
Unskilled and defined decision making	40	0	0	0	127	0	0	0	167
07 Not Available, Permanent	1	0	0	0	0	0	0	0	1
09 Contract (Senior Management), Permanent	1	0	0	0	1	0	0	0	2
10 Contract (Professionaly Qualified), Permanent	2	0	0	0	5	0	0	0	7
11 Contract (Skilled Technical), Permanent	0	0	0	0	10	0	0	0	10
12 Contract (Semi-Skilled), Permanent	4	0	0	0	4	0	0	0	8
TOTAL	**648**	**10**	**1**	**5**	**1186**	**27**	**0**	**29**	**1906**

Table 3.6.3 Recruitment for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	8	0	0	0	7	0	0	0	15
10 Contract (Professionally qualified), Permanent	0	0	0	0	1	0	0	0	1
12 Contract (Semi-skilled), Permanent	1	0	0	0	0	0	0	0	1
Total	**9**	**0**	**0**	**0**	**8**	**0**	**0**	**0**	**17**
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	1	0	0	0	6	0	0	0	7
Professionally qualified and experienced specialists and mid-management	30	0	0	2	72	4	0	6	114
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	87	0	1	2	204	8	0	9	311

Semi-skilled and discretionary decision making	143	4	0	0	211	3	0	1	362
Unskilled and defined decision making	25	0	0	0	84	0	0	0	109
09 Contract (Senior Management), Permanent	0	0	0	0	1	0	0.	0	1
11 Contract (Skilled technical), Permanent	0	0	0	0	5	0	0	0	5
12 Contract (Semi-skilled), Permanent	1	0	0	0	3	0	0	0	4
Total	**287**	**4**	**1**	**4**	**586**	**15**	**0**	**16**	**913**
Employees with disabilities (Included in totals above)	31	0	0	0	38	0	0	0	69

Table 3.6.5 Terminations for the period 1 April 2022 to 31 March 2023

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	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	3	0	0	0	6	0	0	0	9
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	9	0	0	0	16	0	0	2	27
Semi-skilled and discretionary decision making	8	0	0	0	10	1	0	1	20
Unskilled and defined decision making	0	0	0	0	2	0	0	0	2
10 Contract (Professionally qualified), Permanent	2	0	0	0	0	0	0	0	2
11 Contract (Skilled technical), Permanent	1	0	0	0	1.	0	0	0	2
12 Contract (Semi-skilled), Permanent	2	0	0	0	1	0	0	0	3
10 Contract (Professionally qualified), Permanent	0	0	0	0	3	0	0	0	3
Total	**26**	**0**	**0**	**0**	**40**	**1**	**0**	**3**	**70**
Employees with Disabilities	0	0	0	0	1	0	0	0	1

Table 3.6.6 Disciplinary action for the period 1 April 2022 to 31 March 2023

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Absenteeism	2	0	0	0	1	1	0	0	4
Negligence	1	0	0	0	0	0	0	0	1
Assault	1	0	0	0	0	0	0	0	1
Used Vulgar Language	0	0	0	0	0	1	0	0	1
Abscondment	1	0	0	0	0	0	0	0	1
Contravention of transport policy	2	0	0	0	0	0	0	0	2
Bribery	1	0	0	0	0	0	0	0	1
Unbecoming Behavior	0	0	0	0	0	1	0	0	1
Contravention of sec 45 of public finance	4	0	0	0	5	1	0	0	10

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
management Act of 1999									
Theft	1	0	0	0	0	0	0	0	1
Displayed disrespectful behaviour	1	0	0	0	0	0	0	0	1
Total	**14**	**0**	**0**	**0**	**6**	**4**	**0**	**0**	**24**
Employees with disabilities	0	0	0	0	0	0	0	0	**0**

Table 3.6.7 Skills development for the period 1 April 2022 to 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	6	0	0	0	8	2	0	0	16
Professionals	31	0	0	0	49	0	0	0	80
Technicians and associate professionals	7	0	0	0	10	0	0	0	17
Clerks	12	0	0	0	41	0	0	0	53
Service and sales workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	1	0	0	0	1	0	0	0	2
Elementary occupations	7	0	0	0	6	0	0	0	13
Total	**64**	**0**	**0**	**0**	**115**	**2**	**0**	**0**	**181**
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 2022

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 SMS members
Salary Level 14	7	5	5	100
Salary Level 13	32	21	20	95.23
Total	**39**	**26**	**25**	**96**

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 May 2022

Reasons
SMS Member was ill during the period when performance agreements were submitted. It was then submitted late

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 May 2022

Reasons
None

3.8 Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review.

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2022 to 31 March 2023

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee (R'000)
African					
Male	0	648	0	0	0
Female	8	1186	0.7	157	20
Asian					
Male	0	1	0	0	0
Female	0	0	0	0	0
Coloured					
Male	0	10	0	0	0
Female	1	27	3.7	28	28
White					
Male	0	5	0	0	0
Female	0	29	0	0	0
Total	**9**	**1 906**	**0.5**	**185**	**21**
Employees with a disability	0	109	0	0	0

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2022 to 31 March 2023

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 (R'000)	
Lower Skilled (Levels 1-2)	0	167	0	0	0	0
Skilled (level 3-5)	1	896	0.10	4	4	6
Highly skilled production (level 6-8)	3	578	0.50	32	11	45
Highly skilled supervision (level 9-12)	2	213	0.90	35	17	49
09 Other	0	1	0	0	0	0
11 Contract (Levels 3-5)	0	8	0	0	0	0
12 Contract (Levels 6-8)	0	10	0	0	0	0
13 Contract (Levels 9-12)	0	7	0	0	0	0
Total	**6**	**1 880**	**0.30**	**71**	**12**	**100**

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2022 to 31 March 2023

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee (R'000)
Financial Clerks And Credit Controllers	0	35	0	0	0
Household Food And Laundry Services Related	0	17	0	0	0
Human Resources Clerks	2	16	12.5	21	10
Security Officers	0	312	0	0	0
Household And Laundry Workers	0	7	0	0	0
Messengers Porters And Deliverers	0	206	0	0	0
Human Resources & Organisation Development & Related Professionals	0	5	0	0	0
Social Sciences Related	0	5	0	0	0
Finance And Economics Related	0	7	0	0	0
Logistical Support Personnel	0	9	0	0	0
Other Administration & Related Clerks And Organisers	0	74	0	0	0
Housekeepers Laundry And Related Workers	0	3	0	0	0

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee (R'000)
Auxiliary And Related Workers	0	90	0	0	0
Other Occupations	0	1	0	0	0
Financial And Related Professionals	0	9	0	0	0
Building And Other Property Caretakers	0	3	0	0	0
Probation Workers	0	2	0	0	0
Occupational Therapy	0	3	0	0	0
Social Sciences Supplementary Workers	0	70	0	0	0
Administrative Related	1	136	0.7	4	4
Communication And Information Related	0	4	0	0	0
Secretaries & Other Keyboard Operating Clerks	0	17	0	0	0
Cleaners In Offices Workshops Hospitals Etc.	0	169	0	0	0
Library Mail And Related Clerks	0	10	0	0	0
Human Resources Related	0	4	0	0	0
Social Work And Related Professionals	3	386	0.8	46	15
Material-Recording And Transport Clerks	0	10	0	0	0
Youth Workers	0	74	0	0	0
Psychologists And Vocational Counsellors	0	1	0	0	0
Other Administrative Policy And Related Officers	0	24	0	0	0
Professional Nurse	0	18	0	0	0
Senior Managers	2	16	12.5	75	38
Client Inform Clerks(Switch board Reception Information Clerks)	0	11	0	0	0
Other Information Technology Personnel.	0	3	0	0	0
Light Vehicle Drivers	0	18	0	0	0
Security Guards	0	5	0	0	0
Food Services Aids And Waiters	0	11	0	0	0
Nursing Assistants	0	20	0	0	0
Community Development Workers	0	81	0	0	0
Information Technology Related	1	7	14.3	39	39
Staff Nurses And Pupil Nurses	0	7	0	0	0
TOTAL	**9**	**1 906**	**0.5**	**185**	**21**

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2022 to 31 March 2023

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 (R'000)	
Band A	3	19	15.8	114	37 941	0.4
Band B	0	6	0	0	0	0
Band C	0	1	0	0	0	0
Band D	0	1	0	0	0	0
Total	**3**	**26**	**11.5**	**114**	**37 941**	**0.3**

3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2022 and 31 March 2023

Salary band	01 April 2022		31 March 2023		Change in Employment	
	Number	% of total	Number	% of total	Number	% Change
Highly skilled supervision (Lev. 9-12)	1	100	1	100	0	0
Total	**1**	**100**	**1**	**100**	**0**	**0**

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2022 and 31 March 2023

Major occupation	01 April 2022		31 March 2023		Change in Employment	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	1	100	1	100	0	0
TOTAL	**1**	**100**	**1**	**100**	**0**	**0**

3.10 Leave utilisation

Table 3.10.1 Sick leave for the period 1 January 2022 to 31 December 2022

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)	3	0	2	0.1	2	2
Skilled (levels 3-5)	11	81.8	1	0.1	11	54
Highly skilled production (levels 6-8)	49	91.8	8	0.5	6	46
Highly skilled supervision (levels 9 - 12)	39	79.5	9	0.5	4	54
Top and Senior management (levels 13-16)	25	84	4	0.2	6	76
Highly skilled production (Levels 6-8)	5 196	81.9	536	31.6	10	7 887
Highly skilled supervision (Levels 9-12)	1 879	84.3	192	11.3	10	5 018
Lower skilled (Levels 1-2)	1 847	87.3	199	11.7	9	1 091
Senior management (Levels 13-16)	89	83.1	14	0.8	6	423
Skilled (Levels 3-5)	7 674	85.4	731	43.1	10	6 204
TOTAL	**16812**	**84.4**	**1 696**	**100**	**10**	**20 853**

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 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)	2	100	1	7.7	2	1
Skilled (Levels 3-5)	321	100	8	61.5	40	285
Highly skilled production (Levels 6-8)	198	100	3	23.1	66	318
Highly skilled supervision (Levels 9-12)	130	100	1	7.7	130	402
Total	**651**	**100**	**13**	**100**	**50**	**1 006**

Table 3.10.3 Annual Leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	5 194	17	309
Skilled Levels 3-5)	20 715	23	893
Highly skilled production (Levels 6-8)	15 799	25	628
Highly skilled supervision(Levels 9-12)	6 110	27	224
Senior management (Levels 13-16)	518	24	22
Contract (Levels 1-2)	21	11	2
Contract (Levels 13-16)	50	25	2
Contract (Levels 3-5)	172	17	10
Contract (Levels 6-8)	204	13	16
Contract (Levels 9-12)	125	18	7
Total	**48 908**	**23**	**2 113**

Table 3.10.4 Capped leave for the period 1 January 2022 to 31 December 2022

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 2023
Skilled Levels 3-5)	5	3	29	2

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 2023
Highly skilled production (Levels 6-8)	4	1	29	3
Highly skilled supervision(Levels 9-12)	35	7	17	5
Senior management (Levels 13-16)	0	0	31	0
Total	**44**	**4**	**26**	**10**

Table 3.10.5 Leave payouts for the period 1 April 2022 and 31 March 2023

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2022/23 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2022/23	369	17	56 071
Current leave payouts on termination of service for 2022/23	2137	62	75 823
Total	**2 505**	**79**	**139 894**

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 identified	Awareness and platforms for workplace HIV testing
	Condom & lubricants distribution
	LGBTQI+ workplace community dialogues and engagements

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		Director, HR 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		Four, with Zero budget allocation
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		Approved Policy and annual operational plans with clear activities
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		Since the invent of Covid-19 the department focused on establishment of comprehensive OHS committees which also address HIV and Aids programme activities
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 & AIDS Policy Wellness Management Health and Productivity Occupational Health and Safety
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		Confidentiality Inclusiveness and integration Continued support
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		Once a quarter, one or two programmes are conducted across the province on Voluntary Counselling and Testing. More than 10% of staff do go for testing. Officials also take

Question	Yes	No	Details, if yes
			advantage of workplace condom distribution programme
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Monitor utilisation rate quarterly Baseline assessment Role players contribute to the evaluation process

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2022 and 31 March 2023

Subject matter	Date
Resolution 3 of 2022 – Extension of Res 1 of 2021: Agreement on the Standardization of Remuneration for Community Health Workers.	**21 July 2022**

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2022 and 31 March 2023

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	5%
Verbal warning	0	0%
Written warning	7	35%
Final written warning	9	45%
Suspended without pay	1	5%
Fine	0	0%
Demotion	0	0%
Dismissal	1	5%
Not guilty	0	0%
Case withdrawn	1	5%
Total	**20**	**100%**

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 and 31 March 2023

Type of misconduct	Number	% of total
Unlawful conduct: benefits	1	11%
Contravention of section 38 and 45 of PFMA	5	56%
Failure to perform duties	3	33%
Total	**9**	**100%**

Table 3.12.4 Grievances logged for the period 1 April 2022 and 31 March 2023

Grievances	Number	% of Total
Number of grievances resolved	21	55%
Number of grievances not resolved	17	45%
Total number of grievances lodged	**38**	**100%**

Table 3.12.5 Disputes logged with Councils for the period 1 April 2022 and 31 March 2023

Disputes	Number	% of Total
Number of disputes upheld	5	83%%
Number of disputes dismissed	1	17%
Total number of disputes lodged	**6**	**100%**

Table 3.12.6 Strike actions for the period 1 April 2022 and 31 March 2023

Total number of persons working days lost	**814**
Total costs working days lost	**R402, 061.87**
Amount recovered as a result of no work no pay (R'000)	**0,00**

Table 3.12.7 Precautionary suspensions for the period 1 April 2022 and 31 March 2023

Number of people suspended	**4**
Number of people who's suspension exceeded 30 days	**2**
Average number of days suspended	**347**
Cost of suspension(R'000)	**R491, 818.97**

3.13 Skills development

Table 3.13.1 Training needs identified for the period 1 April 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	11	0	25	0	**25**
	Male	6	0	19	0	**19**
Professionals	Female	450	0	158	0	**158**
	Male	138	0	77	0	**77**
Technicians and associate professionals	Female	126	0	15	0	**15**
	Male	124	0	13	0	**13**
Clerks	Female	113	0	40	0	**40**
	Male	60	0	29	0	**29**
Service and sales workers	Female	160	0	19	0	**19**
	Male	204	0	20	0	**20**
Plant and machine operators and assemblers	Female	0	0	0	0	**0**
	Male	18	0	7	0	**7**
Sub Total	Female	**860**	**0**	**257**	**0**	**257**
	Male	**550**	**0**	**165**	**0**	**165**
Total		**1410**	**0**	**422**	**0**	**422**

Table 3.13.2 Training provided for the period 1 April 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	11	0	10	0	10
	Male	6	0	6	0	6
Professionals	Female	450	0	49	0	49
	Male	138	0	31	0	31
Technicians and associate professionals	Female	126	0	10	0	10
	Male	124	0	7	0	7
Clerks	Female	113	0	41	0	41
	Male	60	0	12	0	12
Service and sales workers	Female	160	0	0	0	0
	Male	204	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	1	0	1
	Male	18	0	1	0	1
Elementary occupations	Female	0	0	6	0	6
	Male	0	0	7	0	7
Sub Total	Female	**860**	**0**	**117**	**0**	**117**
	Male	**550**	**0**	**64**	**0**	**64**
Total		**1410**	**0**	**181**	**0**	**181**

3.14 Injury on duty

Table 3.14.1 Injury on duty for the period 1 April 2022 and 31 March 2023

Nature of injury on duty	Number	% of total
Required basic medical attention only	19	90,48
Fatal	2	9,52
Total	**21**	**100**

3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2022 and 31 March 2023

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
NONE			
Total number of projects	**Total individual consultants**	**Total duration Work days**	**Total contract value in Rand**
NONE			

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

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 2022 and 31 March 2023

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 2022 and 31 March 2023

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

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2022 and 31 March 2023

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
None				

PART E:

PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	119,573	108,165
Add: Irregular expenditure confirmed	15,639	16,986
Less: Irregular expenditure condoned		
Less: Irregular expenditure not condoned and removed	(30,315)	(5,578)
Less: Irregular expenditure recoverable		
Less: Irregular expenditure not recovered and written off		
Closing balance	**104,896**	**119,573**

Include discussion here where deemed relevant.

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22	0	0
Irregular expenditure that relates to prior years and identified in 2022/23	2,885	5,128
Irregular expenditure for the current year	12,754	11,858
Total	**15,639**	**16,986**

b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	**2022/2023**	**2021/2022**
	R'000	**R'000**
Irregular expenditure under assessment	3,069	0
Irregular expenditure under determination	2,473	2,049
Irregular expenditure under investigation	0	0
Total	**5,542**	**2,049**

Include discussion here where deemed relevant.

c) Details of current and previous year irregular expenditure condoned

Description	**2022/2023**	**2021/2022**
	R'000	**R'000**
Irregular expenditure condoned	0	0
Total	**0**	**0**

Include discussion here where deemed relevant.

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	30,315	5,578
Total	**30,315**	**5,578**

Include discussion here where deemed relevant.

e) Details of current and previous year irregular expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	0	0
Total	**0**	**0**

Include discussion here where deemed relevant.

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	0	0
Total	**0**	**0**

Include discussion here where deemed relevant.

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution *is not* responsible for the non-compliance)

Description
None

Include discussion here where deemed relevant.

h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution *is* responsible for the non-compliance)

Description	2022/2023	2021/2022
	R'000	R'000
None	0	0
Total	**0**	**0**

Include discussion here where deemed relevant.

i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Officials responsible for irregular expenditure were served with written warnings and final written warnings
3 cases have been referred to Law Enforcement Agencies

Include discussion here where deemed relevant.

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	36,163	23,894
Add: Fruitless and wasteful expenditure confirmed	13,847	12,279
Less: Fruitless and wasteful expenditure written off	(35,011)	(10)
Less: Fruitless and wasteful expenditure recoverable		
Closing balance	**14,999**	**36,163**

Include discussion here where deemed relevant.

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and Wasteful expenditure that was under assessment in the current financial year	0	0
Fruitless and Wasteful expenditure that relates to prior years and identified in current financial year	11,181	12,236
Fruitless and Wasteful expenditure for the current year	2,666	43
Total	**13,847**	**12,279**

b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	12,681	1,827
Fruitless and wasteful expenditure under investigation	0	0
Total	**12,681**	**1,827**

Include discussion here where deemed relevant.

c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered	0	43
Total	**0**	**43**

Include discussion here where deemed relevant.

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2022/2023 R'000	2021/2022 R'000
Fruitless and wasteful expenditure written off	35,011	10
Total	**35,011**	**10**

Include discussion here where deemed relevant.

e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
1 case has been referred to Law Enforcement Agencies
Total

Include discussion here where deemed relevant.

1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2022/2023 R'000	2021/2022 R'000
None		

b) Details of current and previous year unauthorised expenditure (under assessment, determination, and investigation)

Description	2022/2023 R'000	2021/2022 R'000
None		

1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii))

i) Material losses through Irregular Expenditure

- The material losses were incurred in 2021/2022 on pre-payments expensed. This involved one NPO that did not utilise the allocated funds of R2.408 million for the intended purpose. Recovery is pursued through the office of the State Attorney.

ii) Material losses written off

- Unrecoverable debts of R2.100 million that had reached prescription period were written off.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

- Most payments (98%) were processes within 30 days.

Description	Number of invoices	Consolidated Value R'000
Valid invoices received	818	55,927
Invoices paid **within** 30 days or agreed period	813	54,830
Invoices paid **after** 30 days or agreed period	5	1,097
Invoices older than 30 days or agreed period (***unpaid and without dispute***)		
Invoices older than 30 days or agreed period (***unpaid and in dispute***)		

SITA was offline hence the payments overlapped and affected 30-days' time frame, and others were affected by change of banking details which were not updated on Centralized Supplier Database by the Suppliers.

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Procurement by other means - All deviations from Supply Chain Management were approved in line with the approved delegations.

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract (R)
FUMIGATTION AT XHARIEP DISTRICT OFFICES	MAMAKUWA TRADING	EMERGENCY	WF-211064	285 000
SUPPLY AND DELIVERY OF DIESEL AT CHARLOTTE MAXAKE	HOME BASED TRADING 508	EMERGENCY	WF-220020	29 000
SUPPLY AND DELIVERY OF DIESEL AT CHARLOTTE MAXAKE	ALFI	EMERGENCY	WF-220104	30 393
SUPPLY AND DELIVERY OF CATERING IN KOFFIEFONTEIN	MOTSHIDISI AND RAGEL GENERAL TRADING	ONE QUOTATIONS	WF-220080	2 700
DELIVERY OF BURIAL SERVICES FOR BOTSHABELO HAVEN OLD AGE	LINDI FUNERAL PALOUR	ONE QUOTATIONS	WF-220085	15 510
REPAIR OF ELECTRICAL WORKS AT LERATONG	KM MOLUSI GROUP	EMERGENCY	WF-220105	184 847
REPAIRS OF ELECTRICAL WORKS AT CHARLOTTE MAXEKE	MONIE ALL GENARAL TRADING	EMERGENCY	WF-220093	231 454
SUPPLY AND DELIVERY OF DIESEL AT CHARLOTTE MAXAKE	HOME BASED TRADING 508	EMERGENCY	WF-220124	29 500
SUPPLY AND DELIVERY OF PATIO GAS HEATERWITH CYLINDERS	KHANYA LESEDI TRADING AND SUPPLY	EMERGENCY	WF-220166	50 147
SUPPPLY AND DELIVERY DIESEL AT CHARLOTTE MAXEKE	HOME BASED TRADING 508	EMERGENCY	WF-220176	44 250
ELECTRICAL WORKS AT WINKIE DIREKO ONE STOP OFFICE	SQUANTER ELECTRICAL CONTRACTORS	EMERGENCY	WF-220239	49 145
PLUMBING AND FENCING AT KOFFIFONTEIN AND JAGGERSFONTEIN	ALFI	EMERGENCY	WF-220190	113 179
DELIVERY OF BURIAL SERVICES FOR BOTSHABELO HAVEN OLD AGE	LINDI FUNERAL PALOUR	ONE QUOTATIONS	WF-220458	15 510
DELIVERY OF BURIAL SERVICES FOR BOTSHABELO HAVEN OLD AGE HOME	THUSANANG FUNERAL SERVICES	EMERGENCY	WF-220332	6 080.00
PROVISION OF TEAMMATE SOFTWARE	PRICE WATERHOUSE COOPERS INCORPORATED (PWC) ONO WALTERS KLUWER	SOLE SUPPLIER	WF-220573	733 267
ADVERT AND MARKETING	NEWS24	ONE QUOTATIONS	WF-220440	28 659
REQUEST FOR VENUE AND CATERING FOR HR MEETING ON 21 ON 22 SEPT 2022	MAREMATLOU TRAINING INSTITUTE	ONE QUOTATIONS	WF-220752 AND WF-220750	23 275
INSTALLATION OF ALARM SYSTEM AND ARMED RESPONSE AT VREDE OFFICES	SIZWE BUHLE TRADING ENTERPRISE	EMERGENCY	WF-220605	29 980
ADVERT AND MARKETING	RMKB PROJECT MANAGEMENT	TWO QUOTATIONS	WF-220712	21 384
SUPPLY,INSTALL,REPAIR AND SERVICE OF FIRE EQUIPMENT AT MATETE MATCHES	CHEETAH SERVICE	TWO QUOTATIONS	WF-220811	183 264
EVENT AND MANAGEMENT SERVICES FOR MEC ENGAGEMENT MEETING	ARGON PROJECTS	TWO QUOTATIONS	WF-220811	407 991
SUPPLY AND DELIVERY OF TROPHIES AND MEDALS FOR SPRINGFORNTEIN CHOIR FESTIVAL	LEBOPABI (PTY)LTD	TWO QUOTATIONS	WF-220923	5 513
PROCUMENT OF 21 DESKTOPS	ZINGWE GLOBAL	TWO QUOTATIONS	WF-220861	514 371
REPAIR OF TELEPHONE SYSTEMS:BOTSHABELO FDC	GIJIMA HOLDING(PTY) LTD	ONE QUOTATIONS	WF-220897	4 005
REPAIRS AND MAINTENANCE OF 43CC BRUSH CUTTER FOR LERATONG	LAWNMOWERS AND TURF TRADING	ONE QUOTATION-STRIP AND QUOTE	WF-220917	1 323
TRAVELLING ARRAGEMENT FOR OLDER PERSONS TO GAUTENG	XL ASTA TRAVEL	ONE QUOTATION	WF-220948	431 728
SERVICE AND REPAIR OF KITCHEN AND LAUNDRY EQUIPMENT AT CHARLOTTE MAXEKE REHAB CENTRE	LEAD LAUNDRY AND CATERING	ONE QUOTATION:STRIP AND QUOTE	WF-220968	6 716
SERVICE AND REPAIR OF ACCESS CONTROL /FIRE DETECTION SERVICE AT CHARLOTTE MAXEKE	FBS ELECTRONICS	ONE QUOTATION:STRIP AND QUOTE	WF-220981	22 626
SERVICE AND REPAIR MECHANICAL AND ELECTRICAL SERVICES AT CHARLOTTE MAXEKE	HI-TECH ENGINEERING	ONE QUOTATION:STRIP AND QUOTE	WF-220967	68 995

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract (R)
ERRATUM:ADVERT AND MARKETING	NEWS24	ONE QUOTATION	WF-220958	9 890
SUPPLY AND DELIVERY OF CLOTHING FOR LERATONG CHILD AND YOUTH CARE CENTRE	WIF WOMEN IN FLAVOUR GROUP	TWO QUOTATIONS	WF-221032	56 446
INSTALLATION OF SECURITY BEAMS AT STANDARD BANK BUILDING	FIDELITY ADT	ONE QUOTATIONS	WF-221196	34 342
FUMIGATION AT TSHIRELETSONG	ISAC PEST CONTROL	EMERGENCY	WF-221028	55 000
BURIAL SERVICES (PICK-UP AND STORAGE)	LINDI FUNERAL PALOUR	EMERGENCY	WF-221054	1 800
REPAIR AND SERVICING OF GENERATOR FOR MATETE MATCHES	STEBU TRADING	EMERGENCY	WF-230177	53 000
CONFERENCING SERVICES	KOPANO NOKENG	TWO QUOTATIONS	WF-221169	42 540
EMERGENCY SECURITY SERVICES FOR MATETE MATCHES SECURE CARE CENTRE IN KROONSTAD NEHAWU DURING STRIKE	TASOKOENA ALARM INSTALLATION,SECURITY AND MAINTENANCE	EMERGENCY	WF-230086	25 300
SUPPLY AND DELIVERY OF 16 LAPTOPS AND 2 DESKTOPS	DITSOANE TRADING PROJECTS	TWO QUOTATIONS	WF-	380 672
ACCOMMODATION FOR QWAQWA/BETHLEHEM ON 08 MARCH 2023	SURE ETNIQUE TRAVEL	ONE QUOTATION	WF-	11 160
NURSING PROFESSIONAL SERVICES DURING NEHAWU STRIKE	SA RED CROSS SOCIETY	EMERGENCY	WF	46 000
VENUE AND CONFERENCING	FOREVER RESORT (GARIEP DAM)	ONE QUOTATION	WF	75 124
Total				**4 361 087**

3.2. Contract variations and expansions

There were no contract variations and the following contracts were extended

Travel services contract:

- Two travel agency companies were appointed during the Financial Year and their contracts were extended for a period of 1 month from 01 August 2022 to 31st August 2022 in line with approved SCM delegations.

Institutional catering:

- Institutional Catering Service contracts were appointed for a period of 2 months and where necessary they were extended during the financial year in line with approved SCM delegations.

PART F:

FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR-GENERAL

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 **108** to **169**, which comprise the appropriation statement, statement of financial position as at 31 March 2023, 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 2023, 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 5 of 2022 (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 responsibilities of the auditor-general for the audit of the 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.

Emphasis of matter

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

Irregular expenditure

7. As disclosed in note 22 to the financial statements, the department incurred irregular expenditure of R12 754 000 (2022: R11 897 000), due to non-compliance with supply chain management (SCM) requirements.

Other matters

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

Unaudited supplementary schedules

9. The supplementary information set out on pages **170** to **181** does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

National Treasury Instruction Note 4 of 2022-23: PFMA Compliance and Reporting Framework

10. On 23 December 2022, the National Treasury issued Instruction Note 4 of 2022-23, which came into effect on 3 January 2023, in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA. The instruction note deals with the PFMA compliance and reporting framework and addresses, among others, the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Irregular expenditure and fruitless and wasteful expenditure incurred in prior financial years and not yet addressed no longer need to be disclosed in the disclosure notes to the annual financial statements. Only the current year and prior year figures are disclosed in note 22 to the financial statements of the department. Movements in respect of irregular expenditure and fruitless and wasteful expenditure also no longer need to be disclosed in the notes to the annual financial statements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) is now included as part of the other information in the annual report of the department. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

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.

Responsibilities of the auditor-general 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

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report**.** The accounting officer is responsible for the preparation of the annual performance report.

16. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measures the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programmes	Page numbers	Purpose
Social welfare services	27 - 29	To provide integrated developmental social welfare services to the poor and vulnerable in partnership with stakeholders and civil society organizations
Children and families	29 - 33	To provide comprehensive child and family care and support services to communities in partnership with stakeholders and civil society organisations

17. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it

provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

18. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

19. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

20. The material findings on the performance information of the selected programmes are as follows:

Social welfare services

Number of persons with disabilities accessing residential facilities

21. An achievement of 511 was reported against a target of 624 persons with disabilities accessing residential facilities. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the underachievement on the target was more than reported.

Number of beneficiaries receiving psychosocial support services

22. An achievement of 5 720 was reported against a target of 6 972 beneficiaries receiving psychosocial support services. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Children and families

Various indicators

23. I could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator	Target	Reported achievement
Number of family members participating in family preservation services	10 372	8 684
Number of family members reunited with their families	53	40
Number of reported cases of child abuse	-	1 033
Number of children reached through community based prevention and early intervention programmes	8 220	11 047

Number of children in child and youth care centres reunified with their families

24. An achievement of 98 was reported against a target of 75 children in child and youth care centres reunified with their families. However, some supporting evidence was not provided for auditing; and, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

26. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under-achievements. This information should be considered in the context of the material findings on the reported performance information.

Material misstatements

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of social welfare services and children and families. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

28. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.

29. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

30. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

31. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure management

32. Effective and appropriate steps were not taken to prevent irregular expenditure as disclosed in note 22 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.

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. I was unable to obtain sufficient appropriate audit evidence that appropriate measures were 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 in the annual report

35. The accounting officer is responsible for the other information included in the annual report. The other information referred to 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 on in this auditor's report.

36. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

37. My responsibility is to read this other information and, in doing so, consider whether it 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. The other information I obtained prior to the date of this auditor's report is the disclosures included in the annual report for unauthorised, irregular, fruitless and wasteful expenditure, and the other information outstanding in the annual report is expected to be made available to us after 31 July 2023.

39. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

40. When I do receive and read the annual report of outstanding 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

41. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

42. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

43. 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.

44. Management 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.

45. Management did not have effective review and monitoring process to ensure that transfers payments are used for their intended purposes.

Other reports

46. I draw attention to the following engagements conducted by various parties. 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.

47. The department reported eight allegations relating to procurement irregularities and misappropriation of funds, to the South African Police Services. The investigations were still in progress at the time of the report. One of the cases has been on-going for more than three years while the others were reported in the previous financial year.

Auditor-General

Bloemfontein

31 July 2023

Annexure to the auditor's report

1. The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

2. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with selected requirements in key legislation.

Financial statements

3. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

4. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

5. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

6. The selected legislative requirements are as follows:

Legislation and regulations	Sections or regulations
Public Finance Management Act 1 of 1999	Sections 1; 38(1)(a)(iv); 38(1)(b); 38(1)(c); 38(1)(c)(ii) Sections 38(1)(d); 38(1)(h)(iii); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b) Sections 40(1)(c)(i); 43(4); 44; 44(1) & (2); 45(b); 50(3); 50(3)(a)
Treasury Regulations	Regulations 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Regulations 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b); Regulations 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a) Regulations 10.1.2; 12.5.1; 15.10.1.2(c) Regulations 16A 6.1; 16A 6.2(a), (b) & (e); 16A 6.3(a) Regulations 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e) Regulations 16A 6.4; 16A 6.5; 16A 6.6; 16A 7.1 Regulations 16A 7.3; 16A 7.6; 16A 7.7; 16A 8.2(1) & (2) Regulations 16A 8.3; 16A 8.3(d); 16A 8.4; 16A 9; 16A 9.1 Regulations 16A 9.1(b)(ii); 16A 9.1(c); 16A 9.1(d); 16A 9.1(e) Regulations 16A 9.2; 16A 9.2(a)(ii) & (iii); 16A 9.1(f) Regulations 17.1.1; 18.2; 19.8.4
Division of Revenue Act 5 of 2022	Sections 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); 16(3)(a)(ii)(bb)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Service Regulations	Regulations 18; 18(1); 18(2); 25(1)(e)(i); 25(1)(e)(iii)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17; 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations of 2017	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.5; 6.6 Regulations 7.1; 7.2; 7.3; 7.5; 7.6; 8.2; 8.5; 9.1; 9.2; 12.1; 12.2

Legislation and regulations	Sections or regulations
Preferential Procurement Regulations of 2022	Regulations 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
State Information Technology Agency Act 88 of 1998	Section 7(3)
National Treasury Instruction Note 1 of 2015-16	Paragraphs 3.1; 4.1; 4.2
National Treasury Instruction Note 4 of 2015-16	Paragraph 3.4
National Treasury Instruction Note 1 of 2021-22	Paragraph 4.1
Second amendment to National Treasury Instruction Note 5 of 2020-21	Paragraphs 4.8; 4.9; 5.1; 5.3
Erratum to National Treasury Instruction Note 5 of 2020-21	Paragraphs 1; 2
National Treasury SCM Instruction Note 3 of 2021-22	Paragraphs 4.3; 4.4; 4.4(a); 4.4(c) & (d)
National Treasury SCM Instruction Note 11 of 2020-21	Paragraphs 3.1; 3.4(b); 3.9
National Treasury SCM Instruction Note 2 of 2021-22	Paragraphs 3.2.1; 3.2.4(a); 3.3.1
National Treasury Practice Note 7 of 2009-10	Paragraph 4.1.2

ANNUAL FINANCIAL STATEMENTS

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APPROPRIATION STATEMENT
for the year ended 31 March 2023

Appropriation per programme									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	348,678	-	12,587	361,265	361,265	-	100.0%	332,072	331,960
2. Social Welfare Services	235,915	-	(14,604)	221,311	221,219	92	100.0%	244,231	244,120
3. Children and Families	274,925	-	1,181	276,106	275,945	161	99.9%	610,270	585,444
4. Restorative Services	208,452	-	(2,219)	206,233	206,233	-	100.0%	198,534	197,921
5. Development and Research	149,739	-	3,055	152,794	151,458	1,336	99.1%	148,632	148,525
Subtotal	**1,217,709**	**-**	**-**	**1,217,709**	**1,216,120**	**1,589**	**99.9%**	**1,533,739**	**1,507,970**

APPROPRIATION STATEMENT
for the year ended 31 March 2023

	2022/23				2021/22	
	Final Budget	Actual Expenditure			Final Budget	Actual Expenditure
	R'000	R'000			R'000	R'000
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)	**1,217,709**				**1,533,739**	
ADD						
Aid assistance						
Prior year unauthorised expenditure approved without funding						
Actual amounts per statement of financial performance (total expenditure)		**1,216,120**				**1,507,970**

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Appropriation per economic classification									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	**872,428**	**(2,231)**	**2,230**	**872,427**	**872,425**	**2**	**100.0%**	**898,631**	**894,464**
Compensation of employees	754,242	-	7,006	761,248	761,248	-	100.0%	778,662	777,905
Goods and services	115,520	(2,231)	(4,776)	108,513	108,511	2	100.0%	109,233	105,823
Interest and rent on land	2,666	-	-	2,666	2,666	-	100.0%	10,736	10,736
Transfers and subsidies	**333,950**	**-**	**(1,719)**	**332,231**	**330,897**	**1,334**	**99.6%**	**620,035**	**599,701**
Departmental agencies and accounts	2,242	(62)	-	2,180	2,180	-	100.0%	2,318	2,310
Non-profit institutions	330,596	(497)	(2,711)	327,388	326,054	1,334	99.6%	614,489	594,166
Households	1,112	559	992	2,663	2,663	-	100.0%	3,228	3,225
Payments for capital assets	**11,331**	**2,231**	**(2,612)**	**10,950**	**10,697**	**253**	**97.7%**	**15,073**	**13,805**
Buildings and other fixed structures	-	138	1,020	1,158	1,159	(1)	100.1%	2,547	362
Machinery and equipment	11,331	2,093	(3,632)	9,792	9,538	254	97.4%	12,526	13,443
Payments for financial assets	**-**	**-**	**2,101**	**2,101**	**2,101**	**-**	**100.0%**	**-**	**-**
Total	**1,217,709**	**-**	**-**	**1,217,709**	**1,216,120**	**1,589**	**99.9%**	**1,533,739**	**1,507,970**

DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Programme 1: ADMINISTRATION									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	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	7,956	199	-	8,155	8,128	27	99.7%	7,280	7,279
2. Corporate Management	241,171	(4,444)	923	237,650	236,720	930	99.6%	207,300	207,262
3. District Management	99,551	4,245	11,664	115,460	116,417	(957)	100.8%	117,492	117,419
Total for sub programmes	**348,678**	**-**	**12,587**	**361,265**	**361,265**	**-**	**100.0%**	**332,072**	**331,960**
Economic classification									
Current payments	**289,483**	**(1,956)**	**10,900**	**298,427**	**298,425**	**2**	**100.0%**	**303,955**	**302,496**
Compensation of employees	218,704	-	2,376	221,080	221,080	-	100.0%	221,377	221,301
Goods and services	68,113	(1,956)	8,524	74,681	74,679	2	100.0%	71,842	70,459
Interest and rent on land	2,666	-	-	2,666	2,666	-	100.0%	10,736	10,736
Transfers and subsidies	**52,062**	**-**	**2,979**	**55,041**	**55,042**	**(1)**	**100.0%**	**18,013**	**18,005**
Departmental agencies and accounts	2,242	(62)	-	2,180	2,180	-	100.0%	2,318	2,310
Non-profit institutions	48,834	486	2,214	51,534	51,534	-	100.0%	14,464	14,464
Households	986	(424)	765	1,327	1,328	(1)	100.1%	1,231	1,231
Payments for capital assets	**7,133**	**1,956**	**(1,292)**	**7,797**	**7,798**	**(1)**	**100.0%**	**10,104**	**11,459**
Machinery and equipment	7,133	1,956	(1,292)	7,797	7,798	(1)	100.0%	10,104	11,459
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	**348,678**	**-**	**12,587**	**361,265**	**361,265**	**-**	**100.0%**	**332,072**	**331,960**

APPROPRIATION STATEMENT
for the year ended 31 March 2023

Programme 2: SOCIAL WELFARE SERVICES									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Management and Support	14,122	(196)	1,231	15,157	14,384	773	94.9%	11,490	11,074
2. Service to Older Persons	124,259	103	(7,132)	117,230	118,376	(1,146)	101.0%	127,500	131,764
3. Service to Persons with Disabilities	50,385	-	(4,618)	45,767	45,690	77	99.8%	58,640	58,435
4. HIV and AIDS	36,150	93	(3,110)	33,133	33,105	28	99.9%	30,552	30,551
5. Social Relief	10,999	-	(975)	10,024	9,664	360	96.4%	16,049	12,296
Total for sub programmes	**235,915**	**-**	**(14,604)**	**221,311**	**221,219**	**92**	**100.0%**	**244,231**	**244,120**
Economic classification									
Current payments	**144,319**	**(102)**	**(12,543)**	**131,674**	**131,674**	**-**	**100.0%**	**142,936**	**143,030**
Compensation of employees	130,882	-	(8,556)	122,326	122,325	1	100.0%	135,746	132,909
Goods and services	13,437	(102)	(3,987)	9,348	9,349	(1)	100.0%	7,190	10,121
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**90,390**	**-**	**(3,875)**	**86,515**	**86,516**	**(1)**	**100.0%**	**101,108**	**100,903**
Non-profit institutions	90,283	-	(4,102)	86,181	86,182	(1)	100.0%	100,688	100,483
Households	107	-	227	334	334	-	100.0%	420	420
Payments for capital assets	**1,206**	**102**	**(287)**	**1,021**	**928**	**93**	**90.9%**	**187**	**187**
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1,206	102	(287)	1,021	928	93	90.9%	187	187

Payments for financial assets	**-**	**-**	**2,101**	**2,101**	**2,101**	**-**	**100.0%**	**-**	**-**
Total	**235,915**	**-**	**(14,604)**	**221,311**	**221,219**	**92**	**100.0%**	**244,231**	**244,120**

Programme 3: CHILDREN AND FAMILIES									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Management and Support	1,506	(1,506)	-	-	-	-	-	-	-
2. Care and Services to Families	25,664	579	2,328	28,571	28,788	(217)	100.8%	30,948	30,944
3. Child Care and Protection	93,827	5,142	(127)	98,842	98,837	5	100.0%	101,327	102,503
4. ECD and Partial Care	12,505	-	(236)	12,269	12,060	209	98.3%	351,785	326,595
5. Child and Youth Care Centres	126,535	(3,812)	(370)	122,353	122,432	(79)	100.1%	110,358	110,354
6. Community Based Care Services to Children	14,888	(403)	(414)	14,071	13,828	243	98.3%	15,852	15,048
Total for sub programmes	**274,925**	**-**	**1,181**	**276,106**	**275,945**	**161**	**99.9%**	**610,270**	**585,444**
Economic classification									
Current payments	**138,674**	**(11)**	**2,169**	**140,832**	**140,831**	**1**	**100.0%**	**160,424**	**158,202**
Compensation of employees	129,420	-	2,548	131,968	131,968	-	100.0%	141,637	142,041
Goods and services	9,254	(11)	(379)	8,864	8,863	1	100.0%	18,787	16,161
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**135,865**	**-**	**(804)**	**135,061**	**135,061**	**-**	**100.0%**	**446,859**	**427,106**
Non-profit institutions	135,865	(495)	(804)	134,566	134,566	-	100.0%	446,266	426,515
Households	-	495	-	495	495	-	100.0%	593	591

Payments for capital assets	**386**	**11**	**(184)**	**213**	**53**	**160**	**24.9%**	**2,987**	**136**
Buildings and other fixed structures	-	-	-	-	-	-	-	2,547	91
Machinery and equipment	386	11	(184)	213	53	160	24.9%	440	45
Payments for financial assets									
Total	**274,925**	**-**	**1,181**	**276,106**	**275,945**	**161**	**99.9%**	**610,270**	**585,444**

Programme 4: RESTORATIVE SERVICES									
	2022/23							**2021/22**	
	Approved Budget	**Shifting of Funds**	**Virement**	**Final Budget**	**Actual Expenditure**	**Variance**	**Expenditure as % of final budget**	**Final Budget**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Sub programme									
1. Management and Support	3,263	(1,239)	(1,225)	799	443	356	55.4%	746	745
2. Crime Prevention and Support	87,952	(1,361)	(1,734)	84,857	85,042	(185)	100.2%	80,800	82,920
3. Victim Empowerment	34,553	1,260	(573)	35,240	34,036	1,204	96.6%	35,924	33,914
4. Substance Abuse, Prevention and Rehabilitation	82,684	1,340	1,313	85,337	86,712	(1,375)	101.6%	81,064	80,342
Total for sub programmes	**208,452**	**-**	**(2,219)**	**206,233**	**206,233**	**-**	**100.0%**	**198,534**	**197,921**
Economic classification									
Current payments	**183,030**	**(162)**	**(992)**	**181,876**	**181,878**	**(2)**	**100.0%**	**173,875**	**173,673**
Compensation of employees	165,170	-	3,937	169,107	169,109	(2)	100.0%	166,002	166,001
Goods and services	17,860	(162)	(4,929)	12,769	12,769	-	100.0%	7,873	7,672
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**24,526**	**-**	**(648)**	**23,878**	**23,877**	**1**	**100.0%**	**23,692**	**23,324**

Non-profit institutions	24,526	(294)	(648)	23,584	23,584	-	100.0%	23,242	22,875
Households	-	294	-	294	293	1	99.7%	450	449
Payments for capital assets	**896**	**162**	**(579)**	**479**	**478**	**1**	**99.8%**	**967**	**924**
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	896	162	(579)	479	478	1	99.8%	967	924
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	**208,452**	**-**	**(2,219)**	**206,233**	**206,233**	**-**	**100.0%**	**198,534**	**197,921**

Programme 5: DEVELOPMENT AND RESEARCH									
	2022/23							**2021/22**	
	Approved Budget	**Shifting of Funds**	**Virement**	**Final Budget**	**Actual Expenditure**	**Variance**	**Expenditure as % of final budget**	**Final Budget**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Sub programme									
1. Management and Support	4,112	2	(174)	3,940	3,960	(20)	100.5%	4,025	4,025
2. Community Mobilisation	3,258	4	-	3,262	2,699	563	82.7%	3,184	3,184
3. Institutional Capacity Building and Support	14,663	-	78	14,741	14,746	(5)	100.0%	14,645	14,645
4. Poverty Alleviation and Sustainable Livelihoods	62,640	(154)	12	62,498	60,207	2,291	96.3%	58,086	57,991
5. Community Based Research and Planning	15	-	-	15	14	1	93.3%	-	-
6. Youth Development	58,682	56	4,387	63,125	63,827	(702)	101.1%	62,117	62,116
7. Women Development	1,355	-	(1,346)	9	691	(682)	7677.8%	1,344	1,343

8. Population Policy Promotion	5,014	92	98	5,204	5,314	(110)	102.1%	5,231	5,221
Total for sub programmes	**149,739**	**-**	**3,055**	**152,794**	**151,458**	**1,336**	**99.1%**	**148,632**	**148,525**
Economic classification									
Current payments	**116,922**	**-**	**2,696**	**119,618**	**119,617**	**1**	**100.0%**	**117,441**	**117,063**
Compensation of employees	110,066	-	6,701	116,767	116,766	1	100.0%	113,900	115,653
Goods and services	6,856	-	(4,005)	2,851	2,851	-	100.0%	3,541	1,410
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**31,107**	**-**	**629**	**31,736**	**30,401**	**1,335**	**95.8%**	**30,363**	**30,363**
Non-profit institutions	31,088	(194)	629	31,523	30,188	1,335	95.8%	29,829	29,829
Households	19	194	-	213	213	-	100.0%	534	534
Payments for capital assets	**1,710**	**-**	**(270)**	**1,440**	**1,440**	**-**	**99.9%**	**828**	**1,099**
Buildings and other fixed structures	-	138	1,020	1,158	1,159	(1)	100.1%	-	271
Machinery and equipment	1,710	(138)	(1,290)	282	281	1	99.6%	828	828
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	**149,739**	**-**	**3,055**	**152,794**	**151,458**	**1,336**	**99.1%**	**148,632**	**148,525**

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2023

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, and Annexure 1A-H of the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

Detail of these transactions 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

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Administration	361,265	361,265	-	0%
Social Welfare Services	221,311	221,219	92	0%
Children and Families	276,106	275,945	161	0%
Restorative Services	206,233	206,233	-	0%
Development and Research	152,794	151,458	1,336	0.1%
Total	**1,217,709**	**1,216,120**	**1,589**	**0.1%**

Development and Research: The underspending was due to suspension of NPOS that did not comply.

4.2 Per economic classification

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current payments	**872,427**	**872,425**	**2**	**0.0%**
Compensation of employees	761,248	761,248	-	0.0%
Goods and services	108,513	108,511	2	0.0%
Interest and rent on land	2,666	2,666	-	0.0%
Transfers and subsidies	**332,231**	**330,897**	**1,334**	**0%**
Departmental agencies and accounts	2,180	2,180	-	0%
Non-profit institutions	327,388	326,054	1,334	0%
Households	2,663	2,663	-	0%
Payments for capital assets	**10,950**	**10,697**	**253**	3%
Buildings and other fixed structures	1,158	1,159	(1)	0%
Machinery and equipment	9,792	9,538	254	3%
Payments for financial assets	**2,101**	**2,101**	-	0.0%
Total	**1,217,709**	**1,216,120**	**1,589**	**0.1%**

Transfers and Subsidies :The underspending was due to suspension of NPOS that did not comply.

4.3 Per conditional grant

Conditional grant	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
	R'000	R'000	R'000	%
Social Sector- EPWP Grant	22,034	21,135	899	4%
Total	**22,034**	**21,135**	**899**	**4%**

Social Sector- EPWP Grant: The allocation of R22.034 million is mainly for payment of stipends. The department sustained 638 work opportunities and created 56 work opportunities (Totalling 694). Underspending due to suspension of non-complying organisations.

DEPARTMENT OF SOCIAL DEVELOPMENT
VOTE 7

STATEMENT OF FINANCIAL PEFORMANCE
for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
REVENUE			
Annual appropriation	1	1,217,709	1,533,739
Departmental revenue	2		-
TOTAL REVENUE		**1,217,709**	**1,533,739**
EXPENDITURE			
Current expenditure			
Compensation of employees	3	761,248	777,905
Goods and services	4	108,511	105,823
Interest and rent on land	5	2,666	10,736
Aid assistance			
Total current expenditure		**872,425**	**894,464**
Transfers and subsidies			
Transfers and subsidies	7	330,897	599,792
Aid assistance			-
Total transfers and subsidies		**330,897**	**599,792**
Expenditure for capital assets			
Tangible assets	8	10,697	13,714
Intangible assets	8		-
Total expenditure for capital assets		**10,697**	**13,714**
Payments for financial assets	6	2,101	-
TOTAL EXPENDITURE		**1,216,120**	**1,507,970**
SURPLUS/(DEFICIT) FOR THE YEAR		**1,589**	**25,769**

STATEMENT OF FINANCIAL PEFORMANCE
for the year ended 31 March 2023

Reconciliation of Net Surplus/(Deficit) for the year		
Voted funds	1,589	25,769
Annual appropriation	690	(18)
Conditional grants	899	25,787
SURPLUS/(DEFICIT) FOR THE YEAR	**1,589**	**25,769**

STATEMENT OF FINANCIAL POSITION
as at 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
ASSETS			
Current assets		**3,466**	**27,382**
Cash and cash equivalents	*9*	1,849	23,282
Prepayments and advances	*10*		
Receivables	*11*	1,617	4,100
Non-current assets		**57**	**108**
Prepayments and advances	*10*		
Receivables	*11*	57	108
TOTAL ASSETS		**3,523**	**27,490**
LIABILITIES			
Current liabilities		**2,962**	**26,430**
Voted funds to be surrendered to the Revenue Fund	*12*	1,589	25,769
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	*13*	573	86
Bank overdraft			
Payables	*14*	800	575
Non-current liabilities			
Payables			
TOTAL LIABILITIES		**2,962**	**26,430**
NET ASSETS		**561**	**1,060**

	Note	2022/23 R'000	2021/22 R'000
Represented by:			
Recoverable revenue		561	1,060
TOTAL		**561**	**1,060**

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
Recoverable revenue			
Opening balance		1,060	382
Transfers:		(499)	678
Irrecoverable amounts written off	6	(400)	-
Debts revised		(86)	(16)
Debts recovered (included in departmental revenue)		(245)	(250)
Debts raised		232	944
Closing balance		**561**	**1,060**
TOTAL		**561**	**1,060**

CASH FLOW STATEMENT
for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**1,219,987**	**1,535,260**
Annual appropriation funds received	1.1	1,217,709	1,533,739
Statutory appropriation funds received			
Departmental revenue received	2	2,229	1,521
Interest received	2.3	49	
Net (increase)/decrease in net working capital		2,708	75
Surrendered to Revenue Fund		(27,560)	(52,321)
Current payments		(869,759)	(883,728)
Interest paid	5	(2,666)	(10,736)
Payments for financial assets		(2,101)	-
Transfers and subsidies paid		(330,897)	(599,792)
Net cash flow available from operating activities	15	**(10,288)**	**(11,242)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(10,697)	(13,714)
(Increase)/decrease in non-current receivables	11	51	(23)
Net cash flow available from investing activities		**(10,646)**	**(13,737)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(499)	678
Net cash flows from financing activities		**(499)**	**678**
Net increase/(decrease) in cash and cash equivalents		(21,433)	(24,301)
Cash and cash equivalents at beginning of period		23,282	47,583
Cash and cash equivalents at end of period	16	**1,849**	**23,282**

PART A: ACCOUNTING POLICIES

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 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.

7.	**Revenue**
7.1	**Appropriated funds** 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. Appropriated funds are measured at the amount's receivable. 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. Departmental revenue is measured at the cash amount received. In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value. 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. Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.
8.3	**Accruals and payables not recognised** Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.

8.4	**Leases**
8.4.1	**Operating leases** 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.
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. CARA Funds are recognised when receivable and measured at the amounts receivable. 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.
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 capital 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. 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.

16.4	**Capital commitments** Capital commitments are recorded at cost in the notes to the financial statements.
17.	**Fruitless and wasteful expenditure** Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of • fruitless and wasteful expenditure that was under assessment in the previous financial year; • fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and • fruitless and wasteful expenditure incurred in the current year.
18.	**Irregular expenditure** Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: • irregular expenditure that was under assessment in the previous financial year; • irregular expenditure relating to previous financial year and identified in the current year; and • irregular expenditure incurred in the current year.
19.	**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.
20.	**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.
21.	**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.

22.	**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.
23.	**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.
24.	**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.
25.	**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 full compensation of key management personnel is recorded in the notes to the financial statements.
26.	**Inventories** ***(Effective from date determined by the Accountant-General)*** 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.
27.	**Employee benefits** The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date. The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
28.	**Transfer of functions** Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer. Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.

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:

	2022/23			2021/22		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropriation Received	Funds not requested / not received
Programmes	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Administration	361,265	361,265	-	332,072	332,072	-
Social Welfare Services	221,311	221,311	-	244,231	244,231	-
Children and Families	276,106	276,106	-	610,270	610,270	-
Restorative Services	206,233	206,233	-	198,534	198,534	-
Development and Research	152,794	152,794	-	148,632	148,632	-
Total	**1,217,709**	**1,217,709**		**1,533,739**	**1,533,739**	

1.2. Conditional grants

	Note	2022/23 R'000	2021/22 R'000
Total grants received	32	22,034	131,891
Provincial grants included in total grants received		-	-

2. Departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Sales of goods and services other than capital assets	2.1	991	856
Interest, dividends and rent on land	2.3	49	-
Transactions in financial assets and liabilities	2.5	1,238	665
Total revenue collected		**2,278**	**1,521**
Less: Own revenue included in appropriation	13	2,278	1,521
Total		**-**	**-**

2.1. Sales of goods and services other than capital assets

	Note	2022/23 R'000	2021/22 R'000
Sales of goods and services produced by the department		991	856
Other sales		991	856
Total	2	**991**	**856**

2.2. Interest, dividends and rent on land

	Note	2022/23 R'000	2021/22 R'000
Interest		49	-
Total	2	**49**	**-**

2.3. Transactions in financial assets and liabilities

	Note	2022/23 R'000	2021/22 R'000
Loans and advances		-	-
Receivables		613	247
Other receipts including Recoverable Revenue		625	418
Total	2	**1,238**	**665**

2.4. Transfers received

	Note	2022/23 R'000	2021/22 R'000
Other governmental units		-	-
Higher education institutions		-	-
Foreign governments		-	-
International organisations		-	-
Public corporations and private enterprises		-	-
Households and non-profit institutions		-	-
Total	2	**-**	**-**

Include discussion here where deemed relevant.

2.4.1. Donations received in-kind (*not included in the main note or sub note)*

	Note	2022/23 R'000	2021/22 R'000
Wheelchair		-	43
Medical Beds		-	17
Clothing and rechargeable lights		-	7
Total		**-**	**67**

3. Compensation of employees

3.1. Analysis of balance

	Note	2022/23 R'000	2021/22 R'000
Basic salary		489,349	501,349
Performance award		449	3,613
Service based		850	796
Compensative/circumstantial		22,732	23,300
Other non-pensionable allowances		117,757	120,689
Total		**631,137**	**649,747**

3.2. Social contributions

Employer contributions	Note	2022/23 R'000	2021/22 R'000
Pension		62,116	63,332
Medical		67,679	64,513
Bargaining council		153	159
Insurance		163	154
Total		**130,111**	**128,158**
Total compensation of employees		**761,248**	**777,905**
Average number of employees		**2,090**	**2,189**

4. Goods and services

	Note	2022/23 R'000	2021/22 R'000
Administrative fees		361	226
Advertising		540	222
Minor assets	4.1	950	754
Bursaries (employees)		155	219
Catering		1,527	467
Communication		3,208	4,217
Computer services	4.2	13,576	14,196
Consultants: Business and advisory services	4.9	620	897
Infrastructure and planning services		-	42
Laboratory services		-	-
Scientific and technological services		-	-
Legal services		626	1,330
Contractors		4,031	335
Agency and support / outsourced services		20,155	15,308
Entertainment		29	5
Audit cost - external	4.3	8,534	9,479
Fleet services		11,539	10,167
Inventories	4.4	-	543
Consumables	4.5	8,350	7,264
Housing		-	-
Operating leases		14,923	17,100
Property payments	4.6	10,518	15,920
Rental and hiring		-	-
Transport provided as part of the departmental activities		-	-
Travel and subsistence	4.7	6,217	4,364
Venues and facilities		125	118
Training and development		1,176	1,133
Other operating expenditure	4.8	1,351	1,517
Total		**108,511**	**105,823**

The increase in contractors and agency and support services is due to the increase in the number of events that took place during the year, the payment for medical services and other services rendered to the institutions.

The decrease in legal fees is because of unavailability of supporting documents from the DOJ & CD to process payments.

The increase in travel and subsistence is due to the trips undertaken for the verification of assets, monitoring and evaluation, and physical planning by Infrastructure Unit.

4.1. Minor assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets		**950**	**754**
Buildings and other fixed structures			
Machinery and equipment		950	754
Total	*4*	**950**	**754**

4.2. Computer services

	Note	2022/23 R'000	2021/22 R'000
SITA computer services		6,020	5,063
External computer service providers		7,556	9,133
Total	*4*	**13,576**	**14,196**

4.3. Audit cost - external

	Note	2022/23 R'000	2021/22 R'000
Regularity audits		8,534	9,479
Total	*4*	**8,534**	**9,479**

4.4. Inventories

	Note	2022/23 R'000	2021/22 R'000
Food and food supplies		-	184
Other supplies	*4.4.1*	-	359
Total	*4*	**-**	**543**

4.4.1. Other supplies

	Note	2022/23 R'000	2021/22 R'000
Ammunition and security supplies			
Assets for distribution		-	359
Other assets for distribution		-	359
Other			
Total	4.4	**-**	**359**

4.5. Consumables

	Note	2022/23 R'000	2021/22 R'000
Consumable supplies		6,110	5,862
Uniform and clothing		-	917
Household supplies		3,090	2,894
Building material and supplies		189	1,444
Communication accessories		-	-
IT consumables		4	5
Other consumables		2,827	602
Stationery, printing and office supplies		2,240	1,402
Total	4	**8,350**	**7,264**

4.6. Property payments

	Note	2022/23 R'000	2021/22 R'000
Municipal services		-	-
Property management fees		-	-
Property maintenance and repairs		8,845	14,240
Other		1,673	1,680
Total	4	**10,518**	**15,920**

4.7. Travel and subsistence

	Note	2022/23 R'000	2021/22 R'000
Local		6,217	4,364
Foreign			
Total	*4*	**6,217**	**4,364**

The increase in travel and subsistence is due to the trips undertaken for the verification of assets, monitoring and evaluation, and physical planning by Infrastructure Unit.

4.8. Other operating expenditure

	Note	2022/23 R'000	2021/22 R'000
Professional bodies, membership and subscription fees			
Resettlement costs		102	188
Other		1,249	1,329
Total	*4*	**1,351**	**1,517**

4.9. Remuneration of members of a commission or committee of inquiry (*Included in Consultants: Business and advisory services)*

Name of Commission / Committee of Inquiry	*Note* *4*	2022/23 R'000	2021/22 R'000
Audit Committee		270	323
Risk Management Committee		8	10
Total		**278**	**333**

5. Interest and rent on land

	Note	2022/23 R'000	2021/22 R'000
Interest paid		2,666	10,736
Total		**2,666**	**10,736**

Interest on the ENGO and Others judgement is accumulative from the date of the court judgement. The interest on the outstanding balance as at December 2022 was waived.

6. Payments for financial assets

	Note	2022/23 R'000	2021/22 R'000
Debts written off	6.1	2,101	-
Total		**2,101**	**-**

6.1. Debts written off

Nature of debts written off	Note	2022/23 R'000	2021/22 R'000
Group major categories, but list material items			
Recoverable revenue written off			
Ex-Employees		29	-
Employees		337	-
Breach of Contract		34	-
Total		400	-
Other debt written off			
Employees		175	-
Ex-Employees		1,424	-
Suppliers		102	-
Total		1,701	-
Total debt written off	6	**2,101**	**-**

The debts that had reached prescription period and other uncollectable debts were all written off during the year under review.

7. Transfers and subsidies

	Note	2022/23 R'000	2021/22 R'000
Departmental agencies and accounts	Annex 1B	2,180	2,310
Non-profit institutions	Annex 1F	326,054	594,166
Households	Annex 1G	2,663	3,316
Total		**330,897**	**599,792**

The significant difference on the expenditure on Non-Profit institutions was due to ECD Migration to the Department of Education

7.1. Donations made in kind (*not included in the main note)*

	Note	2022/23 R'000	2021/22 R'000
List in-kind donations made	*Annex 1J*		
Assets Donated (Capital and Minor Assets)		63	653
Total		**63**	**653**

The old furniture was donated to a needy NPO

8. Expenditure for capital assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets		**10,697**	**13,714**
Buildings and other fixed structures	*28*	1,159	271
Machinery and equipment	*26*	9,538	13,443
Total		**10,697**	**13,714**

8.1. Analysis of funds utilised to acquire capital assets - Current year

	2022/23		
	Voted funds	Aid assistance	Total
Name of entity	**R'000**	**R'000**	**R'000**
Tangible capital assets	**10,697**		**10,697**
Buildings and other fixed structures	1,159		1,159
Machinery and equipment	9,538		9,538
Total	**10,697**		**10,697**

8.2. Analysis of funds utilised to acquire capital assets - Prior year

	2021/22		
	Voted funds	Aid assistance	Total
Name of entity	**R'000**	**R'000**	**R'000**
Tangible capital assets	**13,714**		**13,714**
Buildings and other fixed structures	271		271
Machinery and equipment	13,443		13,443
Total	**13,714**		**13,714**

8.3. Finance lease expenditure included in Expenditure for capital assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets			
Machinery and equipment		6,765	9,498
Total		**6,765**	**9,498**

9. Cash and cash equivalents

	Note	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General Account		1,770	23,222
Cash on hand		79	60
Total		**1,849**	**23,282**

10. Prepayments and advances

10.1. Prepayments (Expensed) *("prepayments expensed" not permitted from 1 April 2023)*

	2022/23				
	Amount as at 1 April 2022	Less: Received in the current year	Add / Less: Other	Add Current year prepay-ments	Amount as at 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Goods and services	1,517		(865)		652
Interest and rent on land	-		-	-	-
Transfers and subsidies	-		-	-	-
Capital assets	2,206		-	-	2,206
Other	-		-	-	-
Total	**3,723**		**(865)**	**-**	**2,858**

R2,405 million of the outstanding amount is being recovered through the Office of the State Attorney. The rest is uncollectable and will be written off during 2023/24.

	2021/22				
	Amount as at 1 April 2021	Less: Received in the current year	Add / Less: Other	Add Current year prepay-ments	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Goods and services	21,604	(19,845)	(242)	-	1,517
Interest and rent on land	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-
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.

11. Receivables

		2022/23			2021/22		
		Current	Non-current	Total	Current	Non-current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	*11.1*	62		62	76	-	76
Trade receivables	*11.2*	-	-	-		-	-
Recoverable expenditure	*11.3*	87		87	2	-	2
Staff debt	*11.4*	1,436	57	1,493	3,488	108	3,596
Other receivables	*11.5*	32		32	534	-	534
Total		**1,617**	**57**	**1,674**	**4,100**	**108**	**4,208**

Prior year Fruitless and Wasteful expenditure debt amounting to R34 thousand has been added to Other receivables in line with new reporting requirements. Fruitless and Wasteful receivables no longer reported separately.

11.1. Claims recoverable

	Note	2022/23 R'000	2021/22 R'000
National departments		38	-
Provincial departments		24	76
Total	*11*	**62**	**76**

11.2. Recoverable expenditure

	Note	2022/23 R'000	2021/22 R'000
Group major categories, but list material items			
Salary Tax Debt		-	2
Salary Reversal Control		75	-
Salary Pension Fund		12	-
Total	*11*	**87**	**2**

11.3. Staff debt

	Note	2022/23 R'000	2021/22 R'000
Group major categories, but list material items			
Employee Related		1,371	2,009
Ex-Employee Debt		7	1,440
Bursary Debts Employees		62	147
GG Accident		41	-
Losses and Damages		12	-
Total	11	**1,493**	**3,596**

Prior year Fruitless and Wasteful expenditure debt amounting to R34 thousand has been added to Other receivables in line with new reporting requirements. Fruitless and Wasteful receivables no longer reported separately.

11.4. Other receivables

	Note	2022/23 R'000	2021/22 R'000
Group major categories, but list material items			
Statutory Appropriation receivables			
Unauthorised expenditure			
Irregular expenditure			
Fruitless and wasteful expenditure		-	34
Suppliers		32	102
Breach of Contract Non Employees		-	30
HWSETA		-	368
Total	11	**32**	**534**

Prior year Fruitless and Wasteful expenditure debt amounting to R34 thousand has been added to Other receivables in line with new reporting requirements. Fruitless and Wasteful receivables no longer reported separately.

11.5. Impairment of receivables

	Note	2022/23 R'000	2021/22 R'000
Estimate of impairment of receivables		-	943
Total		**-**	**943**

Debts which were impaired have been written off in the current year

12. Voted funds to be surrendered to the Revenue Fund

	Note	2022/23 R'000	2021/22 R'000
Opening balance		25,769	50,870
Prior period error	12.2		
As restated		25,769	50,870
Transferred from statement of financial performance (as restated)		1,589	25,769
Voted funds not requested/not received	1.1		-
Conditional grants surrendered by the provincial department	12.3		
Paid during the year		(25,769)	(50,870)
Closing balance		**1,589**	**25,769**

Although the prior year underspending was R25,769, the total surplus under Conditional Grant was R25,787. The latter amount was surrendered to Provincial Revenue Fund.

12.1. Reconciliation on unspent conditional grants

	Note	2022/23 R'000	2021/22 R'000
Total conditional grants received	1.2	22,034	131,891
Total conditional grants spent		(21,135)	(106,104)
Unspent conditional grants to be surrendered		899	25,787
Less: Paid to the Provincial Revenue Fund by Provincial department			
Approved for rollover			
Not approved for rollover			
Add: Received from provincial revenue fund by national department	17		
Due by the Provincial Revenue Fund		**899**	**25,787**

Although the prior year underspending was R25,769, the total surplus under Conditional Grant was R25,787. The latter amount was surrendered to Provincial Revenue Fund.

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

	Note	2022/23 R'000	2021/22 R'000
Opening balance		86	16
Prior period error			-
As restated		86	16
Transferred from statement of financial performance (as restated)			-
Own revenue included in appropriation		2,278	1,521
Transfer from aid assistance			-
Transferred to voted funds to defray excess expenditure *(Parliament/Legislatures)*			-
Paid during the year		(1,791)	(1,451)
Closing balance		**573**	**86**

14. Payables - current

	Note	2022/23 R'000	2021/22 R'000
Amounts owing to other entities			
Clearing accounts	*14.1*	661	575
Other payables	*14.2*	139	-
Total		**800**	**575**

14.1. Clearing accounts

Description	Note	2022/23 R'000	2021/22 R'000
Identify major categories, but list material items			
Salary Government Employees Housing Scheme (GEHS) Refund Control		620	562
Salary Automated Clearing Bureau (ACB) Recalls		41	13
Total	*14*	**661**	**575**

14.2. Other payables

Description	Note	2022/23 R'000	2021/22 R'000
Identify major categories, but list material items			
HWSETA		139	-
Total	*14*	**139**	**-**

15. Net cash flow available from operating activities

	Note	2022/23 R'000	2021/22 R'000
Net surplus/(deficit) as per Statement of Financial Performance		1,589	25,769
Add back non-cash/cash movements not deemed operating activities		(11,877)	(37,011)
(Increase)/decrease in receivables		2,483	(180)
(Increase)/decrease in prepayments and advances			
(Increase)/decrease in other current assets			
Increase/(decrease) in payables - current		225	255
Proceeds from sale of capital assets			
Proceeds from sale of investments			
(Increase)/decrease in other financial assets			
Expenditure on capital assets		10,697	13,714
Surrenders to RDP Fund/Donors		(27,560)	(52,321)
Voted funds not requested/not received			
Own revenue included in appropriation		2,278	1,521
Other non-cash items			
Net cash flow generating		**(10,288)**	**(11,242)**

16. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General account		1,770	23,222
Cash on hand		79	60
Total		**1,849**	**23,282**

17. Contingent liabilities and contingent assets

17.1. Contingent liabilities

Liable to	Nature	Note	2022/23 R'000	2021/22 R'000
Claims against the department		*Annex 3B*	1,352	1,303
Intergovernmental payables		*Annex 5*	1,375	1
Total			**2,727**	**1,304**

Understatement of Contingent Liabilities amounting to R311 thousand in prior error has been corrected. The matter was previously reported as not sounding in money.

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.

17.2. Contingent assets

Nature of contingent asset	Note	2022/23 R'000	2021/22 R'000
Possible recovery of employee costs resulting from strike action		397	-
Total		**397**	**-**

The strike took place in March 2023.

18. Capital commitments

	Note	2022/23 R'000	2021/22 R'000
Machinery and equipment		-	7
Total		**-**	**7**

19. Accruals and payables not recognised

19.1. Accruals

		2022/23			2021/22
		30 Days	30+ Days	Total	Total
Listed by economic classification	*Note*	**R'000**	**R'000**	**R'000**	**R'000**
Goods and services		5,882		5,882	6,172
Interest and rent on land				-	-
Transfers and subsidies				-	-
Capital assets		929		929	705
Other				-	147
Total		**6,811**		**6,811**	**7,024**

Listed by programme level	*Note*	**2022/23 R'000**	**2021/22 R'000**
Administration		4,263	5,140
Social Welfare Services		743	421
Children and Families		555	412
Restorative Services		234	1,039
Development and Research		1,016	12
Total		**6,811**	**7,024**

19.2. Payables not recognised

		2022/23			2021/22
		30 Days	30+ Days	Total	Total
Listed by economic classification	*Note*	**R'000**	**R'000**	**R'000**	**R'000**
Goods and services		581	243	824	156
Interest and rent on land					
Transfers and subsidies		1,372	38,315	39,687	91,647
Capital assets		132		132	128
Other					64
Total		**2,085**	**38,558**	**40,643**	**91,995**

Listed by programme level	Note	2022/23 R'000	2021/22 R'000
Administration		1,766	91,825
Social Welfare Services		259	6
Children and Families		8	-
Restorative Services		52	155
Development and Research		38,558	9
Total		**40,643**	**91,995**

The Department settled the ENGO payable amounting to R38,315 million at the beginning of 2023/2024 financial year

Included in the above totals are the following:	Note	2022/23 R'000	2021/22 R'000
Confirmed balances with other departments	*Annex 5*	-	148
Confirmed balances with other government entities	*Annex 5*	-	-
Total		**-**	**148**

20. Employee benefits

	Note	2022/23 R'000	2021/22 R'000
Leave entitlement		36,021	44,887
Service bonus		20,545	20,956
Performance awards		-	-
Capped leave		6,396	7,651
Other		1,580	1,364
Total		**64,542**	**74,858**

At this stage the department is not able to reliably measure the long term portion of the long service awards.

Prior year misstatement of R437 thousand under "other" has been corrected. Included in the leave entitlement are negative leave credits amounting to R690 thousand.

21. Lease commitments

21.1. Operating leases

	2022/23				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year				6,253	6,253
Later than 1 year and not later than 5 years				7,894	7,894
Later than 5 years				-	-
Total lease commitments				**14,147**	**14,147**

	2021/22				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	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 5 years				986	986
Total lease commitments				**21,426**	**21,426**

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. Included in the amount reported are Vodacom leases to the value of R28 for contracts that expired.

21.2. Finance leases **

	2022/23				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year				8,095	8,095
Later than 1 year and not later than 5 years				2,478	2,478
Later than 5 years					
Total lease commitments				**10,573**	**10,573**

	2021/22				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	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 5 years					
Total lease commitments				**2,047**	**2,047**

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. Lesedi contract has been extended to 31 May 2024.

22. Unauthorised, Irregular and Fruitless and wasteful expenditure

	Note	2022/23 R'000	2021/22 R'000
Unauthorised expenditure - current year		-	-
Irregular expenditure - current year		12,754	11,897
Fruitless and wasteful expenditure - current year		2,666	10,779
Total		**15,420**	**22,676**

23. 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 24.

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 24.

24. Key management personnel

	2022/23 R'000	2021/22 R'000
Political office bearers (*provide detail below)*	1,962	2,000
Officials:	-	-
Level 16	2,219	2,172
Level 14 (incl CFO)	7,060	6,947
Level 13	1,231	1,158
Family members of key management personnel	-	521
Total	**12,472**	**12,798**

25. Provisions

	Note	2022/23 R'000	2021/22 R'000
Retention for Substance Abuse Treatment Center 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. The delay in finalising the project is due to ongoing case between Uvuko Civils and Department of Public Works and also the process to waive penalties against the current contractor namely Razzmataz and KET Civils for exceeding the contract term.

25.1. Reconciliation of movement in provisions - Current year

	2022/23			
	Retention	Provision 2	Provision 3	Total provisions
	R'000	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 - Prior year

	2021/22			
	Retention	Provision 2	Provision 3	Total provisions
	R'000	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**

26. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**42,522**		**3,322**	**(1,458)**	**44,386**

Transport assets					-
Computer equipment	18,272		2,308	(1,281)	19,299
Furniture and office equipment	11,484		345	(58)	11,771
Other machinery and equipment	12,766		669	(119)	13,316
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**42,522**	**-**	**3,322**	**(1,458)**	**44,386**

Included in Computer Equipment is a total of R133 thousand for equipment received but not yet paid.
Other Machinery and Equipment includes R416 which relates to container received but not paid.

Movable Tangible Capital Assets under investigation

	Note	**Number**	**Value R'000**
Included in the above total of the movable tangible capital assets per the asset register that are under investigation:			
Machinery and equipment		31	440
Total		**31**	**440**

Investigations are ongoing for Computer Equipment that could not be verified during stocktaking.

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

	2021/22				
	Opening balance	**Prior period error**	**Additions**	**Disposals**	**Closing balance**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**
HERITAGE ASSETS					
Heritage assets					
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**

26.2. Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23					
	Specialised military assets	**Intangible assets**	**Heritage assets**	**Machinery and equipment**	**Biological assets**	**Total**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Opening balance				27,575		27,575
Value adjustments						
Additions				950		950
Disposals				(609)		(609)
Total Minor assets				**27,916**		**27,916**

	Specialised military assets	**Intangible assets**	**Heritage assets**	**Machinery and equipment**	**Biological assets**	**Total**
Number of R1 minor assets				23		23
Number of minor assets at cost				17,912		17,912
Total number of minor assets				**17,935**		**17,935**

Minor capital assets under investigation

	Note	**Number**	**Value R'000**
Included in the above total of the minor capital assets per the asset register that are under investigation:			
Machinery and equipment		10	25

Investigations are ongoing for Computer Equipment that could not be verified during stocktaking.

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance				27,388		27,388
Prior period error						
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**

26.3. Movable tangible capital assets written off

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023

	2022/23					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off				2,004		2,004
Total movable assets written off				**2,004**		**2,004**

27. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	4,010			4,010
TOTAL INTANGIBLE CAPITAL ASSETS	**4,010**			**4,010**

27.1. MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	4,010				4,010
TOTAL INTANGIBLE CAPITAL ASSETS	**4,010**				**4,010**

28. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**73,788**	**3,521**	-	**77,309**
Non-residential buildings	-	3,521	-	3,521
Other fixed structures	73,788	-	-	73,788
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**73,788**	**3,521**	**-**	**77,309**

The new addition relates to the work completed at the Disaster Relief Centre of the Province. The S42 will be completed during 2023/2024

28.1. MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	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**

28.2. Immovable tangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

		2022/23			
		Opening balance 1 April 2022	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2023
	Note Annex 7	R'000	R'000	R'000	R'000
Heritage assets					
Buildings and other fixed structures		2,362	1,159	(3,521)	-
Land and subsoil assets					
Total		**2,362**	**1,159**	**(3,521)**	**-**

The work in progress expenditure relates to the renovations done at the Disaster Relief Center (DRC) of the Province. The work is complete. The building belongs to the Department of Public Works.

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

		2021/22				
		Opening balance 1 April 2021	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2022
	Note	R'000	R'000	R'000	R'000	R'000
Heritage assets						
Buildings and other fixed structures		2,091		271		2,362
Land and subsoil assets						
Total		**2,091**		**271**		**2,362**

29. Principal-agent arrangements

29.1. Department acting as the agent

29.1.1. Revenue received for agency activities

	Note	2022/23 R'000	2021/22 R'000
Include a list of the entities for which the department acts as an agent and the amounts received for these agency duties			
Total			

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.

29.1.2. Reconciliation of funds and disbursements - Current year

	2022/23	
	Total funds received	Expenditure incurred against funds
Category of revenue or expenditure per arrangement	**R'000**	**R'000**
Stipends	1,895	1,756
Total	**1,895**	**1,756**

Reconciliation of funds and disbursements - Prior year

	2021/22	
	Total funds received	Expenditure incurred against funds
Category of revenue or expenditure per arrangement	**R'000**	**R'000**
Stipends	2,041	2,409
Total	**2,041**	**2,409**

In 2021/22 the Department disclosed a receivable amounting to R368 thousand. In the current reporting period, a payable of R139 thousand has been disclosed for funds received which have not been spent.

29.1.3. Reconciliation of carrying amount of receivables and payables - current year

Receivables

	2022/23				
	Opening balance 1 April 2022	Revenue principal is entitled to	Less: Write offs / settlements / waivers	Cash received on behalf of principal	Closing balance 31 March 2023
Name of principal entity	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
HWSETA	368		(368)		-
Total	**368**		**(368)**		**-**

Payables

	2022/23			
	Opening balance 1 April 2022	Expenses incurred on behalf of the principal	Cash paid on behalf of the principal	Closing balance 31 March 2023
Name of principal entity	**R'000**	**R'000**	**R'000**	**R'000**
HWSETA	1,895	(1,756)		139
Total	**1,895**	**(1,756)**		**139**

Reconciliation of carrying amount of receivables and payables - prior year

	2021/22				
	Opening balance 1 April 2021	Revenue principal is entitled to	Less: Write offs / settlements / waivers	Cash received on behalf of principal	Closing balance 31 March 2022
Name of principal entity	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
HWSETA					
Total					

Payables

	2021/22			
	Opening balance 1 April 2021	Expenses incurred on behalf of the principal	Cash paid on behalf of the principal	Closing balance 31 March 2022
Name of principal entity	**R'000**	**R'000**	**R'000**	**R'000**
HWSETA				
Total				

30. Prior period errors

30.1. Correction of prior period errors

		2021/22		
		Amount before error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
Liabilities: ***(E.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)***				
Contingent Liabilities (Claims against the department)	24	992	311	1,303
Employee benefits	27	74,421	437	74,858
Line item 3 affected by the change				
Net effect		**75,413**	**748**	**76,161**

Understatement of Contingent liabilities has been corrected. The matter was previously reported as not sounding in money. Prior year misstatement of R437 thousand under employee benefits has been corrected.

31. Transfer of functions and mergers

31.1. Transfer of functions

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 (ECD) Centers from the MEC Department of Social Development (DSD) to the Department of Basic Education (DBE) Free State.

The Budget of the Department was reduced by R841,775 millon over the MTEF as a result of the migration of ECD from DSD to DBE with effect from 1 April 2022.

This consists of R281,119 million for 2022/2023 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.

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

31.1.1. Statement of Financial Position

	Note	Balance before transfer date	Department of Education Free State	Functions (transferred) / received	Functions (transferred) / received	Balance after transfer date
		R'000	R'000	R'000	R'000	R'000
ASSETS						
Current Assets		**27,382**	-	-	-	**27,382**
Cash and cash equivalents		23,282	-	-	-	23,282
Other financial assets		-	-	-	-	-
Prepayments and advances		-	-	-	-	-
Receivables		4,100	-	-	-	4,100
Loans		-	-	-	-	-
Aid assistance prepayments		-	-	-	-	-
Aid assistance receivable		-	-	-	-	-
Non-Current Assets		**108**	-	-	-	**108**
Investments		-	-	-	-	-
Receivables		108	-	-	-	108
Loans		-	-	-	-	-
Other financial assets		-	-	-	-	-
TOTAL ASSETS		**27,490**	-	-	-	**27,490**

LIABILITIES					
Current liabilities	**26,430**	-	-		**26,430**
Voted funds to be surrendered to the Revenue Fund	25,769	-	-		25,769
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	86	-	-	-	86
Bank Overdraft	-	-	-	-	
Payables	575	-	-		575
Aid assistance repayable	-	-	-	-	-
Aid assistance unutilised	-	-	-	-	-
Non-Current liabilities	-	-	-	-	-
Payables	-	-	-	-	-
TOTAL LIABILITIES	**26,430**	-	-	-	**26,430**
NET ASSETS	**1,060**	-	-	-	**1,060**

31.1.2. Notes

	Note	Balance before transfer date	Functions (transferred)	Functions (transferred) / received	Functions (transferred) / received	Balance after transfer date
			Department of Education Free State	Dept name *(Specify)*	Dept name *(Specify)*	
		R'000	R'000	R'000	R'000	R'000
Contingent liabilities		1,304	-	-		1,304
Contingent assets		-	-	-		-
Capital commitments		7	-	-		7
Accruals		7,024	-	-		7,024
Payables not recognised		91,995	-	-		91,995
Employee benefits		74,553	(1,197)	-		73,356
Lease commitments - Operating leases		21,426	-	-		21,426
Lease commitments - Finance leases		2,047	(186)	-		1,861
Lease commitments - Operating lease revenue		-	-	-		-
Accrued departmental revenue		-	-	-		-
Impairment		943	-	-		943
Provisions		875	-	-		875
Movable tangible capital assets		70,097	-	-		70,097
Immovable tangible capital assets		73,788	-	-		73,788
Intangible capital assets		4,010	-	-		4,010

The teams from Department of Education and Social Development are in the process of finalising S42 process.

32. Statement of conditional grants received

	2022/23									2021/22	
	GRANT ALLOCATION					SPENT					
	Division of Revenue Act / Provincial grants	Roll overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by depart-ment	Amount spent by depart-ment	Under- / (Overspending)	% of available funds spent by depart-ment	Division of Revenue Act / Provincial grants	Amount spent by depart-ment
Name of grant	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**	**R'000**
Social Sector- EPWP Grant	22,034	-	-	-	22,034	22,034	21,135	899	96%	20,320	19,720
Early Childhood Development Grant	-	-	-	-	-	-	-	-	-	111,571	86,384
TOTAL	**22,034**				**22,034**	**22,034**	**21,135**	**899**		**131,891**	**106,104**

The Department confirms that transfers totalling R22,034 million was deposited into the primary account of the province and transferred to the departmental PMG account.

33. Broad Based Black Economic

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

34. COVID 19 Response expenditure

	Note	2022/23 R'000	2021/22 R'000
Compensation of employees		6,755	6,996
Goods and services		180	3,018
Transfers and subsidies		-	17,359
Expenditure for capital assets		-	-
Other		-	-
Total	*Annex 11*	**6,935**	**27,373**

The expenditure on Covid-19 relates to extension of contracts for Social Workers that were appointed to assist communities with the Pandemic

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2022/23						2021/22	
	TRANSFER ALLOCATION				TRANSFER			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Health and Welfare Sector Education and Training Authority (HWSETA)	2,216		(63)	2,153	2,153	100%	2,318	2,310
South African Broadcasting Corporation (SABC)	26		1	27	27	100%	-	-
TOTAL	**2,242**		**(62)**	**2,180**	**2,180**		**2,318**	**2,310**

ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE			
Non-profit institutions	**Adjusted Budget**	**Roll overs**	**Adjustments**	**Total Available**	**Actual transfer**	**% of available funds transferred**	**Final Budget**	**Actual transfer**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Transfers								
Services to Older persons	46,387		(960)	45,427	45,427	100%	54,127	54,127
Services to persons with disability	21,213		(1,204)	20,009	19,984	100%	28,586	28,380
HIV/AIDS	22,683		(1,938)	20,745	20,770	100%	17,975	17,975
Care and Services to Families	5,893		(121)	5,772	5,772	100%	5,645	5,644
Child Care and Protection	39,653		(126)	39,527	39,527	100%	38,108	38,297
ECD and Partial Care	10,900		(218)	10,682	10,682	100%	333,486	314,345
Child and Youth Care Centers	65,268		-	65,268	65,268	100%	53,760	53,758
Comm Based Care Services for Children	14,151		(834)	13,317	13,317	100%	15,267	14,471
Crime Prevention and Support	3,362		(320)	3,042	3,042	100%	2,857	2,856
Victim Empowerment	13,083		(459)	12,624	12,625	100%	12,019	11,653
Substance Abuse and Rehabilitation	8,081		(163)	7,918	7,918	100%	8,366	8,366
Poverty Alleviation and Sustainable Livelihoods	30,466		435	30,901	29,566	96%	29,154	29,155
Youth Development	622			622	622	100%	275	275
Women Development	-			-	-		400	400
Corporate Management Services	48,834		2,700	51,534	51,534	100%	14,464	14,464
TOTAL	**330,596**	**-**	**(3,208)**	**327,388**	**326,054**		**614,489**	**594,166**

ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE			
Household	**Adjusted Budget**	**Roll overs**	**Adjustments**	**Total Available**	**Actual transfer**	**% of available funds transferred**	**Final Budget**	**Actual transfer**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Transfers								
Leave gratuity	1,112		1,551	2,663	2,663	100%	3,316	2,362
Injury on duty								8
Pension penalty								946
Total	1,112		1,551	2,663	2,663		3,316	3,316
Subsidies								
TOTAL	**1,112**	**-**	**1,551**	**2,663**	**2,663**		**3,316**	**3,316**

ANNEXURE 1H
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2022/23 R'000	2021/22 R'000
Received in cash			
Subtotal			
Received in kind			
Nurture Care Group	Wheelchairs	-	43
Nurture Care Group	Medical Beds	-	17
N Mahoko	Clothes and rechargeable lights	-	7
Subtotal		-	**67**
TOTAL		**-**	**67**

ANNEXURE 1J
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship *(Group major categories but list material items including name of organisation)*	2022/23 R'000	2021/22 R'000
Made in kind		
Assets Donated (Capital and Minor Assets)	63	653
TOTAL	**63**	**653**

The old furniture was donated to a needy NPO

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

Nature of liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Bobby Alexander Armour	30	-	-	-	30
Finbond Group LTD	82	-	-	-	82
Dibuo Maputle	880	-	-	-	880
Anitta van Schalkwyk	311	-	-		311
Lancet Laboratories		49	-	-	49
Subtotal	1,303	49	-	-	1,352
TOTAL	**1,303**	**49**	**-**	**-**	**1,352**

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.

ANNEXURE
CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23 *	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	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								
KZN: Socdev	-			75	-	75		
FSPG: Health	-	1			-	1		
FSPG: Education	6				6			
FSPG: Human Settlement	2				2			
Gauteng: Social Development	16				16			
National: Agriculture, Land Reform & Rural Development	38				38			
Subtotal	62	1	-	75	62	76		
TOTAL	**62**	**1**	**-**	**75**	**62**	**76**		

ANNEXURE 5
INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23 *	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Payment 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
DEPARTMENTS								
Current								
FS: Premier		22		1		23		
Department of Justice and Constitutional Development		126	1,375		1,375	126		
Subtotal		148	1,375	1	1,375	149		
Non-current								
Subtotal								
Total Departments		**148**	**1,375**	**1**	**1,375**	**149**		
OTHER GOVERNMENT ENTITIES								
Subtotal								

TOTAL INTERGOVERNMENT PAYABLES	**148**	**1,375**	**1**	**1,375**	**149**

ANNEXURE 6
INVENTORIES

Inventories for the year ended 31 March 2023	Insert major category of inventory R'000	Insert major category of inventory R'000	Inventory Other Suppliers R'000	Insert major category of inventory R'000	Total R'000
Opening balance			67		67
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	**-**	**-**	**67**	**-**	**67**

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**

Include discussion here where deemed relevant.

ANNEXURE 7
MOVEMENT IN CAPITAL WORK IN PROGRESS

Movement in capital work in progress for the year ended 31 March 2023

	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	2,362	1,159	3,521	-
Dwellings				
Non-residential buildings				
Other fixed structures	2,362	1,159	3,521	-
TOTAL	**2,362**	**1,159**	**3,521**	**-**

The work in progress expenditure relates to the renovations done at the Disaster Relief Center (DRC) of the Province. The work is complete. The building belongs to the Department of Public Works.

Movement in capital work in progress for the year ended 31 March 2022

	Opening balance	Prior period error	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**2,091**		**271**		**2,362**
Dwellings					
Non-residential buildings					
Other fixed structures	2,091		271		2,362
TOTAL	**2,091**		**271**		**2,362**

ANNEXURE 11
COVID 19 RESPONSE EXPENDITURE
Per quarter and in total

Expenditure per economic classification	2022/23					2021/22
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	**2,044**	**1,584**	**1,566**	**1,561**	**6,755**	**6,996**
Goods and services	**136**	**44**	**-**	**-**	**180**	**3,018**
Contractors	-	-	-	-	-	4
INV: Food & Food Supplies	-	-	-	-	-	120
Cons Supplies	136	44			180	1,544
Property Payments	-	-	-	-	-	1,350
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**17,359**
ECD Stimulus Relief	-	-	-	-	-	17,359
TOTALCOVID 19 RESPONSE EXPENDITURE	**2,180**	**1,628**	**1,566**	**1,561**	**6,935**	**27,373**