



ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2024

2024

Building a Caring Society. Together.

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social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA





WHY ARE WE CALLED THE DEPARTMENT OF SOCIAL DEVELOPMENT?

In July 2000, the Department of Welfare was renamed the Department of Social Development. We are called the Department of Social Development:

Because of our commitment to social transformation

We are committed to the agenda of social transformation embodied in the principle of social justice and the Bill of Rights contained in our Constitution. We endeavour to create a better life for the poor, vulnerable, and excluded people in our society.

Because our task is to reduce poverty and promote social integration

Our task is to develop and monitor the implementation of social policy that both creates an enabling environment for and leads to a reduction in poverty. We ensure the provision of social protection and social welfare services to all people who live in our land. We conduct research that develops the social indicators necessary for programme implementation and public accountability.

Because our work is based on partnerships and the Batho Pele principles of service delivery

All our work requires extensive and ongoing consultation with all sectors of our society. Our programmes are integrated with those of other government departments and all spheres of government. We work in partnership with NGOs, faith-based communities, the business sector, organised labour, and other role players. We are committed to the Batho Pele (People First) principles, and use them to improve service delivery to our clients and the public.

Because our actions are based upon solidarity and engender self-reliance

As social service professionals, we act on the basis of solidarity with all of humanity. We seek to empower communities and engender self-reliance by creating conditions for sustainable livelihoods. This involves expanding the range of choices available to communities.

Because of the range of our human services

Our development, social protection and social welfare services span the entire life cycle of human life and encompass advocacy, promotion, prevention, care, mitigation and palliation.

TABLE OF CONTENTS

PART A: GENERAL INFORMATION	03
1. Department's General Information	04
2. Submission of the Annual Report to the Executive Authority	05
3. Foreword by the Minister	06
4. Statement by the Deputy Minister	08
5. Report of the Accounting Officer	10
6. Statement of Responsibility and Confirmation of Accuracy of the Annual Report	17
7. Strategic Overview	18
8. Legislative and other Mandates	19
9. Organisational Structure	20
10. Public Entities Reporting to the Minister	21
 PART B: PERFORMANCE INFORMATION	 22
1. Auditor General's Report: Predetermined Objectives	23
2. Overview of Departmental Performance	24
3. Service Delivery Environment in 2023/24	25
4. Service Delivery Improvement Plan	30
5. Overview of the Organisational Environment for 2023/24	30
6. Key Policy Development and Legislative Changes	31
7. Progress towards Achievement of Institutional Impact and Outcomes	31
8. Executive Members	32
9. Performance by Programme	33
Programme 1: Administration	33
Programme 2: Social Assistance	42
Programme 3: Social Security Policy and Administration	44
Programme 4: Welfare Services Policy and Implementation Support	48
Programme 5: Social Policy and Integrated Service Delivery	70
10. Performance in Relation to Standardised Outputs and Output Indicators	81
11. Transfer Payments	82
12. Conditional Grants	87
13. Donor Funds	87
14. Capital Investments	99

PART C: GOVERNANCE	100
1. Introduction	101
2. Risk Management	101
3. Fraud and Corruption	102
4. Minimising Conflict of Interest	102
5. Code of Conduct	102
6. Health, Safety and Environmental Issues	103
7. Portfolio Committee	104
8. Scopa Resolutions	114
9. Prior Modification to Audit Reports	115
10. Internal Control Unit	115
11. Internal Audit and Audit Committee Report	115
12. B-BBEE Compliance Performance Information	120
 PART D: HUMAN RESOURCE MANAGEMENT	 121
1. Legislation Governing Human Resources Management	122
2. Overview of Human Capital Matters in the Department	122
3. Human Resources Oversight Statistics	126
4. Irregular, Fruitless and Wasteful, Unauthorised Expenditure and Material Losses	153
 PART E: FINANCIAL INFORMATION	 158
Report of the Auditor-General To Parliament on Vote No.19: Department of Social Development	159
Report of the Auditor-General to Minister of Social Development on Disaster Relief Fund	241
Report of the Auditor-General to the Minister of Social Development on the Refugee Relief Fund	254
Report of the Auditor-General to the Minister of Social Development on the Social Relief Fund	267
Report of the Auditor-General to the Minister of Social Development on the State President Fund	280
 PART F: ACRONYMS AND ABBREVIATIONS	 293
Acronyms and Abbreviations	294



PART

A

GENERAL INFORMATION

1 DEPARTMENT'S GENERAL INFORMATION



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2 SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY



social development

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Social Development
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF SOCIAL DEVELOPMENT

The Hon. Ms Nokuzola Gladys Tolashe
Minister of Social Development
Private Bag X 855
Pretoria
0001

Honourable Minister

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

I have the pleasure of presenting the Annual Report of the Department of Social Development for the year 1 April 2023 to 31 March 2024.

The Annual Report has been prepared as required by section 40 (1) (d) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), and Part III J3 of the Public Service Regulations, 2001.

Peter Netshipale
Acting Director-General

3 FOREWORD BY THE MINISTER



The past financial year has again been a period of significant achievements for the Department, and it is with a great sense of honour that I write these words of introduction to the Department's Annual Report 2024. I may be new to the social development portfolio, but our commitment to creating a better life for all is as firm and steadfast today as it was 30 years ago.

With the advent of a democratic South Africa 30 years ago, we set about creating a fairer, more humane and more inclusive society. The Department's achievements summarised in this report reflect our enduring commitment to achieving this goal.

Under the Medium-Term Strategic Framework (MTSF) 2019–2024, the Department took the lead in implementing commitments under Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services. This priority's objectives are to strengthen social welfare service delivery through legislative reforms; expand and accelerate social welfare service delivery to the poor, vulnerable and special focus groups; develop a comprehensive social protection plan and deepen social assistance; and expand access to social security.

Our social assistance programme remains the government's most effective measure for combating poverty and inequality, especially among vulnerable groups such as children and the elderly. Accordingly, children and the elderly formed the majority of the almost 29 million individuals who benefited from different types of social grants, including the R350 Covid-19 Social Relief of Distress (SRD) Grant.

The impact of the Covid-19 pandemic outbreak and the subsequent national lockdown was to worsen the triple challenges of poverty, unemployment and inequality. We witnessed an increase in social ills, such as gender-based violence (GBV) and femicide, the abuse of children, instances of public violence, substance abuse and post-traumatic stress disorders. These unprecedented realities prompted the Department and its entities, the South African Social Security Agency (SASSA) and the National Development Agency (NDA), to establish innovative, locally responsive and globally relevant social development interventions.

Among others, we invested in technological innovations to administer the R350 Covid19 SRD Grant within a short space of time, while continuing to administer over 19 million social grants to the most vulnerable South Africans. The SRD grant revived the debate and ignited the development of policy proposals for extending basic income support to individuals aged between 18 and 59 years who do not access social assistance.

Legislative developments

We remain determined to protect vulnerable groups, such as children, women and the elderly, as well as victims of social crime. In this regard, we began working on amendments to existing legislation covering children and older persons and developing new bills on victim empowerment and people with disabilities. Once finalised, the new legislation will enable us to improve the quality of services to vulnerable members of our society.

In November 2023, the Department presented the revised White Paper on Families to Cabinet, which approved it. The White Paper seeks to provide guidelines and strategies for strengthening the well-being of families and strengthening communities as support networks for families in South Africa. These twin goals are the heart of the White Paper.

The Department continued to facilitate the transformation of the regulatory framework for the social service professions. During the year, we held final engagements on the Social Service Practitioners Draft Bill (2021) with the Office of the Chief State Law Advisor (OCSLA), which finally issued a pre-certification confirming that the Bill is consistent with the Constitution and drafted in accordance with the standard legislative drafting practices. The Draft Bill is ready for consideration by Nedlac in the 2024/25 financial year.

This year, we rolled out a capacity-building programme on the Social Service Professions Act and related regulations for social work, child and youth care practitioners employed by provincial departments of social development. The objective was to empower practitioners with knowledge of the Act and promote compliance with registration requirements and professional conduct standards, thereby ensuring the provinces deliver ethical and professional services.

Policy developments

With the fight against substance abuse uppermost in our minds, we submitted the draft Prevention of and Treatment for Substance Use Disorders Policy to Cabinet for approval. Cabinet approved the draft Policy, which was then gazetted for public comments that were integrated into the draft Policy. The policy will contribute to achieving the targets in Chapter 10 (Goal 5) of the National Development Plan (NDP) Vision 2030 and the NDP's Priority 4: Prevent and reduce the disease burden and promote health, which includes preventing and controlling epidemic burdens through deterring and treating HIV/AIDS, new epidemics and alcohol abuse.

The Department is in the process of developing a Policy on Social Development Services to Persons with Disabilities. The draft policy was updated to incorporate inputs from provincial public hearings and one national public hearing held in November 2023, as well as the gazetting process from November to December 2023. The draft policy was presented to the Presidential Working Group on Disability, which comprises high-level representation of disability experts, in preparation for tabling at Cabinet for final approval. The finalisation of this policy will ensure that the Department of Social Development (DSD) focuses on the social development directives contained in the overarching White Paper on the Rights of Persons with Disabilities.

Expanded Public Works Programme

This year marked the last year of Phase IV of the Expanded Public Works Programme (EPWP) and 20 years since the EPWP came into existence. In 2003/04, Cabinet gave the DSD a mandate to lead the EPWP's Social Sector, one of the four sectors targeted by the programme – the other sectors were Infrastructure, Non-State and Environment and Culture. The EPWP is a multi-sectoral, multi-departmental and nationwide initiative to alleviate poverty through the creation of temporary work opportunities targeting the most marginalised in society. The EPWP Social Sector has created a total of 200 807 work opportunities.

Food insecurity

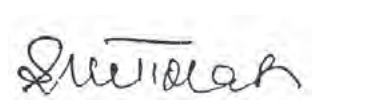
The Department continued to implement the National Food and Nutrition Security (NF&NS) Plan, participating in the national Technical Working Group (TWG) and reporting quarterly on the sector targets. The results of the evaluation of NF&NS Plan 2018–2023 will inform the improvement plan and management response. The Department also partnered with UNICEF to develop a Food Safety & Quality Assurance Toolkit for DSD centres.

Following the South African Human Rights Commission (SAHRC) report into child hunger and malnutrition in the Eastern Cape, the Department immediately implemented the following initiatives, as a rapid response to the crisis:

- Facilitation of the NF&NS TWG engagement with the provincial leadership on coordinating food and nutrition security in the Eastern Cape.
- Assistance to the province in the development of the Provincial Food and Nutrition Security Plan.
- Training and capacity-building of 229 officials in nutrition assessment counselling support for DSD feeding centres personnel, to enable early detection of malnutrition.

Furthermore, we developed the improvement plan based on the evaluation of the Household Food and Nutrition Security Programme's design and implementation.

The end of the reporting period coincides with the end of the five-year tenure of Ms. Lindiwe Zulu, my predecessor. As she leaves the office, I assume my new responsibility as Minister of Social Development inspired by the Department's commitment to tackling the twin challenges of poverty and neglect. I wish to thank the Deputy Minister, the Acting Director-General, and the staff of the national and provincial departments of social development for their commitment to our work. Their commitment is a fitting tribute to the ideal set out 30 years ago, to establish a just, inclusive and fair society. These heroic deeds make me proud to be part of a generation of men and women who are Building a Caring Society. Together!



Ms. Nokuzola Gladys Tolashe, MP
Minister of Social Development

4 STATEMENT BY THE DEPUTY MINISTER



Over the past year, we continued to implement a range of policies and laws, as we intensified our efforts to fight poverty and improve the lives of ordinary South Africans. This report outlining our achievements bears testimony to our continued determination to realise this goal.

We are one of the government departments at the forefront of improving the lives of the majority of our population. As such, we strengthened efforts to expand our services to people with disabilities, victims of gender-based violence (GBV), the elderly and those affected by HIV and AIDS.

As part of its commitment to improving the lives of persons with disabilities, the Department developed a draft Policy on Social Development Services to Persons with Disabilities, which will be tabled to Cabinet for approval once finalised. The policy incorporates input from stakeholders following provincial and national public hearings, and from the Presidential Working Group on Disability, a group of experts in disability. This policy advocates for mainstreaming and including persons with disabilities in implementing social development policies, strategies, programmes and projects that address systemic poverty and inequality among the poor, marginalised and vulnerable groups in society.

The Department is currently conducting a study to determine the support services available at community level for individuals with disabilities, as part of the development of a sustainable community-based system for personal assistance. This research will guide the Department in establishing partnerships to extend support to help roll out or develop new services where none are available for individuals with disabilities.

The Department's mandate can only be implemented by individuals who understand and appreciate its policies. As such, the reporting period saw the roll-out of several capacity-building initiatives and research in vital areas such as social policy and population and development. This will contribute to the creation of an evidence-based policy-making culture in the Department.

Capacity-building

In line with its mandate to provide psychosocial support services and Pillar 4 (Response, Healing Care and Support) of the National Strategic Plan on Gender-Based Violence and Femicide, the Department conducted capacity-building for frontline workers from government departments and civil society organisations in 15 GBV hotspot districts in all provinces. The training, on the Policy on Psychosocial Support Services to victims of violence and crime, is essential for equipping frontline workers, so as to eliminate secondary abuse to GBV victims.

All provinces were capacitated in the various social and behaviour change programmes, including Families Matter, (FMP), YOLO, ChommiY, Rock Leadership, Men and Boys Championing Change, as well as Facilitation Skills. The skills and knowledge imparted to the social services professionals and non-profit organisations will assist them in implementing these programmes to the different target groups in their communities with a view to prevent new HIV infections. In addition to this, we conducted sessions to capacitate female traditional leaders and spouses of traditional leaders in various provinces.

The Department also entered into a Memorandum of Understanding with the National Association of People Living with HIV and AIDS (NAPWA) and the Positive Women Network to ensure that they incorporate the Department's HIV and AIDS programmes in their work.

In addition, 332 social service practitioners in 10 districts across the country received training in the Guidelines for Social Service Practitioners. Implementation of the guidelines will strengthen referrals for HIV testing for those at high risk, linkages to treatment and provision of psychosocial support for disclosure, and treatment adherence support.

Strong, efficient community-based organisations continue to play a vital role in delivering quality services to communities. In this regard, we intensified capacity-building initiatives for community development practitioners and organisations, which are vital partners in building strong, cohesive communities. This resonates with our goal of building a skilled workforce that will enable us to deliver quality services to those who need them most.

Population research and policy

This year, we developed the State of the People Report, which is a situational analysis of the South African population that looks at poverty levels and other related socio-economic factors that influence the social inequalities in the country. The report also outlines programmes that the Department implements to mitigate the identified challenges.

Integrating population policy into the activities of various sectors remained uppermost in our minds. We continued to roll out programmes aimed at raising public awareness of population policies and promoting their inclusion in school curriculums and municipal integrated development plans. We also strengthened co-operation and partnerships on population issues with fraternal institutions both in South Africa and elsewhere in the world.

In July 2023, we convened the Population Policy+25 Conference which focused on four themes: population dynamics, (ii) gender, sexual and reproductive health and rights, and migration and urbanisation, with a total of 22 papers presented across the thematic sessions. The conference included a segment commemorating World Population Day, and a panel discussion about the original intention of the Population Policy, the current

status and pointers for the future. In September 2023, the Department convened a BRICS Seminar on Population with the theme “ Dynamics of the Changing Population Age Structure of BRICS Countries: Opportunities and challenges, including climate change”.

Youth development

High levels of youth unemployment are at odds with the kind of society we would like to build. Accordingly, we continued to empower youths through a number of youth development initiatives. Thousands of young people participated in skills development initiatives that focused on life skills, entrepreneurship and leadership skills. During the period under review, we continued to monitor the implementation of the DSD Youth Development Policy in all provinces.

Non-profit organisations (NPOs) play an important role in the delivery of services on behalf of the Department. During the reporting period, 24 467 NPOs submitted applications for registration, of which the Department processed and registered 17 245 (96.6%) applications within two months. As a result of these efforts, the number of registered NPOs has grown phenomenally since the inception of the NPO Act.

In conclusion, I wish to thank my predecessor, the former Minister of Social Development, Ms. Lindiwe Zulu, the Deputy Minister Ms. Hendrietta Bogopane-Zulu, the Acting Director-General of the Department, and staff of the national department, our agencies and provincial departments. The achievements in the past year are a credit to their commitment towards executing the mandate of this Department. Together with them, we will continue Building a Caring Society. Together!



Mr. Mogamad Ganief Ebrahim Hendricks, MP

Deputy Minister of Social Development

5 REPORT OF THE ACCOUNTING OFFICER



Overview of the Department's operations

The Department is at the heart of the South African Government's commitment to tackling the triple challenges of poverty, unemployment and inequality. We play a key role in providing a safety net for the poor, marginalised and vulnerable members of our society. Our programmes are geared towards meeting the goals espoused in the National Development Plan (NDP) and Medium-Term Strategic Framework (MTSF) 2019–2024, where the Department leads the implementation of commitments under Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services.

An inclusive and responsive social protection system brings together several elements through which government seeks to address the multidimensional nature of poverty and inequality. To this end, the Department and its partners have made significant strides in improving the quality of its services to the public. Notable progress was made in expanding social assistance, victim empowerment, food security, and services to older persons and people with disabilities. Several events were also held, as part of our efforts to build public awareness of our services and to create a footprint in areas where they are most needed.

Social assistance

The provision of social assistance remains government's most effective intervention in the fight against poverty and inequality among the poor and vulnerable people. In this respect, more

than 19 million beneficiaries including 13.2 million children and four million older persons benefitted from our social safety net.

As part of enabling improved social assistance benefits, the Cabinet considered and approved the gazetting for public comments of the revised Green Paper on Comprehensive Social Security. This is an important step towards the development of the White Paper on Comprehensive Social Security. Cabinet also approved the publication of a draft policy on extending social security coverage (retirement and risk benefits) to atypical and informal sector workers. The policy seeks to address the systemic gaps that result in the exclusion and poor social security coverage, which exacerbates old-age income poverty for these vulnerable workers.

Another notable achievement was the publishing of *Social Security Review Volume 2*, which will be used as a mechanism to report, analyse and review all social expenditure across time, and to inform and influence the development of comprehensive social protection policy in the country. The chapters reflect on experiences during the Covid19 pandemic, which affected everyone in different ways, and provide insights and recommendations on various social security issues.

Similarly, the Department issued an audit report on the disability grant medical review processes. The report covered fraud risks and non-compliance areas found in the social assistance frameworks and systems, such as payment of fraudulent grants, payment of grants at cash pay points, etc. These discoveries, together with the audit recommendations, will assist the South African Social Security Agency (SASSA) to improve its systems and internal controls and ensure that the social assistance objectives are met.

Child protection

The protection of children from all manner of vulnerability remained uppermost in our minds. This year, the Department capacitated 63% (4 687 of 7 395) of social services professionals across the provinces. The capacity-building covered areas that are in the chapters of Children's Act, including the web-based National Child Protection Register, the Alternative Care Development Assessment Tool and Guidelines for Independent Living, Adoption and International Social Services, and the Quality Assurance Framework.

During the period under review, 906 cases (773 national and 133 intercountry) were registered on the Adoption Register. The Department continues to coordinate and provide support for cross-border coordination activities on unaccompanied and separated migrant children. It facilitated sessions with Lesotho and Zimbabwe, culminating in cross-border coordination forums. These platforms enable government and non-governmental organisations working with unaccompanied and separated migrant children from different countries to deliberate on child protection issues affecting children migrating across the borders.

The Department also continued to monitor the implementation of community-based prevention and early intervention services to vulnerable children through quarterly feedback meetings to 12 districts in four provinces. During these meetings, officials from the national and provincial departments of social development conducted monitoring visits to the implementing partner (NPO), to access progress, to determine best practices that could be shared with implementing organisations in other provinces, and to establish the impact of the programme on beneficiaries.

Policy development

We continued with efforts aimed at creating an enabling environment for the delivery of equitable developmental welfare services through formulating policies, norms and standards. These included the development of the Social Service Practitioners Draft Bill, which is ready for consideration by Nedlac in the 2024/25 financial year and the monitoring and evaluation framework for the Social Service Professions Act, 1978 (No. 110 of 1978). Consultations were held with the South African Council for Social Service Professions (SACSSP) to ensure buy-in and support of the framework, which is central to the institution's capacity to regulate social service professions.

The Department is also developing the Prevention of and Treatment for Substance Use Disorders Policy, which has been approved by the Social Protection, Community and Human Development (SPCHD) and Justice, Crime Prevention and Security (JCPS) clusters. The policy will contribute to achieving the targets in Chapter 10 (Goal 5) of the NDP Vision 2030 and Priority 4 of the NDP: Prevent and reduce the disease burden and promote health.

Gender-based violence

We continued to provide comprehensive and integrated services to victims of gender-based violence (GBV) through, among others, training frontline workers in 15 hotspot districts in all provinces on the Policy on Psychosocial Support Services to victims of violence and crime. This training is in line with the Department's mandate to provide psychosocial support services and with Pillar 4 (Response, Healing Care and Support) of the National Strategic Plan on Gender Based Violence and Femicide. In addition, frontline workers received training on the Intersectoral Sheltering Service Policy, which is aimed at enabling the provision of a comprehensive spectrum of services to all those seeking shelter from crime and violence.

The Department facilitated the establishment and operationalisation of shelters for victims of violence and crime in three provinces:

- The Free State (Xhariep District) in Koffiefontein.
- The North West Province (Ngaka Modiri Molema District) has converted the Mafikeng Crisis Centre into a shelter.
- In KwaZulu-Natal (KZN), the King Cetshwayo District has partnered with Siyabonga, which has been operational since November 2023, thus closing the gap of non-availability of shelters in the district. The Province has also identified the Ocean View Place of Safety as suitable for the establishment of a Khuseleka One Stop Centre.

In Limpopo, potential buildings for use as shelters have been identified in Mookgopong (Waterberg District), Groblersdal (Sekhukhune District), Phiphidi (Vhembe District) and Phalaborwa (Vhembe District).

This year, the Department intensified the fight against alcohol and substance abuse, with the implementation of the universal treatment curriculum (UTC) in 12 treatment centres. Through the UTC, comprehensive substance use disorder treatment, care and support are provided, from screening, brief intervention, referral, treatment, care, support, rehabilitation, reintegration and aftercare services.

HIV and Aids

HIV and AIDS continue to devastate the lives of many people and remain a major obstacle to the realisation of the goal of ensuring a long and healthy life for all South Africans. During the period under review, the Department capacitated all provinces on the different social and behaviour change programmes, such as the Families Matter and Men and Boys Championing Change programmes. The aim was to provide social services professionals and NPOs with the skills and knowledge to implement these programmes in their communities with a view to prevent new HIV infections. Furthermore, 322 social service practitioners in 10 districts were trained in the Guidelines for Social Service Practitioners: Enabling access to HIV services.

This year, the Government-to-Government (G2G) Project achieved 125% of the annual target of 79 613, reaching 99 359 beneficiaries. The G2G project has been fully operational in Gauteng and KZN through the contracted NPOs in the three districts, achieving the following results.

- 91% (17 569) known HIV status under the comprehensive stream (case management), with Gauteng at 99.6% (15 342) and KZN at 57% (2 227).
- Of the 36 757 beneficiaries served by the contracted NPOs, 32 151 beneficiaries know their HIV status.
- 1 771 beneficiaries with HIV-positive status are all on ART and receiving ART adherence support, which includes participation in support groups, adherence clubs, adherence counselling and clinic support visits (medication pick up/routine blood results interpretation).

People with disabilities

The Department remains committed to improving the lives of persons with disabilities and is in the process of finalising the Policy on Social Development Services to Persons with Disabilities. Once finalised, the policy will ensure that the Department focuses on the social development directives contained in the overarching White Paper on the Rights of Persons with Disabilities.

Youth

Over the past year, we continued to mobilise young people, contribute to their life skills and skills development for employability and to enhance their livelihoods. A major milestone was monitoring the implementation of the DSD Youth Policy through site visits and monitoring sessions in provinces. The aim was to gather information on the interventions, programmatic areas, approaches to the work that are carried out by the youth organisations in the various provinces, particularly

those that receive DSD funding. The policy's priorities respond to the concerns of young people and address challenges faced by young people as per the Department's mandate.

NPO registrations

The NPO Act, 1997 (Act No. 71 of 1997) requires the Department to maintain a register of all registered and de-registered NPOs. As at the end of the 2023/24 financial year, 17 245 NPOs were on this register. This year, the Department made available over R5 875 123 billion to over 8 000 NPOs that are rendering developmental social services throughout the country. These transfers contributed to an average of 37 809 employment opportunities created on an annual basis through NPO funded programmes.

Food security

The Department contributes to realising the NDP objectives of ensuring the availability, accessibility, and affordability of safe and nutritious food at national and household levels to its citizens, through implementing the National Food and Nutrition Security (NF&NS) Plan. The NF&NS Plan 2024–2029 Plan is being developed, based on the evaluation of the NF&NS Plan 2018–2023. The Department also partnered with UNICEF to develop the Food Safety and Quality Assurance Toolkit for DSD centres.

Community development

The Department works with communities to identify their needs, opportunities, rights and responsibilities, and then to take action. This year, Cabinet approved the draft National Community Development Policy, which aims to coordinate and integrate community development interventions and standardise practices nationally. It supports the MTSF Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services. The Department also evaluated the Community Development Practice and Methodologies training of community development practitioners in three provinces, to understand the impact of this training on improving skills for empowering communities.

Unqualified audit

This year the Department received an unqualified audit finding, which is a result of our tireless efforts to improve systems and controls related to both financial and non-financial management. We believe that these efforts will ensure that the Department reclaims its place among the most efficient and well-managed entities in the public service.

Looking ahead

The DSD will continue to contribute to achieving government priorities in the 7th Administration through the following:

- Optimising social protection within available fiscal resources (including support to the unemployed).
- Protecting the value of social grants for children, the elderly and persons with disability.
- Using the SRD grant as a basis for introducing a sustainable form of income support for unemployed people to address the challenge of income poverty.
- Implementing an effective, integrated and comprehensive poverty alleviation strategy, which is necessary to provide protection and support to the most vulnerable in society.
- Linking social assistance with other forms of support to lift people out of poverty.

Overview of the Department's financial results

Departmental receipts

Departmental Receipts	2023/2024			2022/2023		
	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
Interest, dividends and rent on land	7 200	6 857	343	1 089	2 251	1 162
Sale of capital assets	–	–			488	488
Financial transactions in assets and liabilities	55 211	52 582	2 629	22 261	329 336	307 075
TOTAL	62 411	59 439	2 972	23 350	332 075	308 725

Programme expenditure

Programme Name	2023/2024			2022/2023		
	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	456 390	453 550	2 840	540 485	539 076	1 409
Social Assistance	252 106 553	250 545 720	1 560 833	239 132 592	233 037 419	6 095 173
Social Security Policy and Administration	7 654 404	7 636 210	18 194	7 505 989	7 489 527	16 462
Welfare Service Policy Development and Implementation Support	312 773	303 829	8 944	313 492	295 255	18 237
Social Policy and Integrated Service Delivery	363 855	361 032	2 823	362 334	360 587	1 747
TOTAL	260 893 975	259 300 341	1 593 634	247 854 892	241 721 864	6 133 028

The Budget

The initial budget allocation for the National DSD for 2023/24 amounted to R263,029 billion. During the Adjusted Estimates of National Expenditure process, the following adjustments were approved to the Department's voted funds:

- Approval was granted to write-off an amount of R23,8 million related to the Social Assistance Debtors in 2023/24. Savings under Programme 2: Social Assistance, transfer to households will fund the debtor's write-off under "payments of financial assets".
- R2,1 billion was declared as savings due to significant and unforeseeable economic and financial events in the 2023 Adjusted Estimates of National Expenditure.

The revised budget allocation for the Department amounted to R260,893,975 billion for the 2023/24 financial year.

Virements

The Department applied the following virements at the end of the 2023/24 financial year:

Programme 1: Administration

An amount of R24,595 million was approved to be shifted from Programme 3 to Programme 1 to fund the increased expenditure related to the personnel costs, as a result of misalignment the budget structure and increased expenditure related to the payment of centralised payments of the IT, G-Fleet, Auditor-General, transversal systems and courier services.

Programme 3: Social Security Policy and Administration

An amount of R26,855 million was approved to be shifted from Programme 3 to Programme 1: Administration and Programme 5: Social Policy and Integrated Development for increased spending programmes during the 2023/24 financial year.

Programme 5: Social Policy and Integrated Service Delivery

An amount of R2,260 million was approved to be shifted from Programme 3 to Programme 5 to fund the increased expenditure related to rollout of the NPO system in all provinces.

Unauthorised, fruitless and wasteful expenditure

Reasons for irregular and unauthorised expenditure

- Procurement processes were not followed, i.e., approval was not granted/sourced prior to the appointment of service providers.
- Non-compliance with SCM processes, order numbers not issued prior to services being rendered.

Reasons for fruitless and wasteful expenditure

- Officials not showing up at hotels
- Car damages

Irregular, fruitless and wasteful expenditure

Expenditure	R' 000
Irregular Expenditure	5 845
Fruitless and wasteful expenditure	164

Steps taken to address and prevent the recurrence

- Affected officials were issued with letters or memos asking them to respond in the form of an affidavit.
- Cases were presented to the Loss Control Committee (LCC) for recommendations or sanctions, i.e., condoning the expenditure, written warnings, final written warnings and formal disciplinary hearings.
- Recommendations made by the LCC were submitted to the Accounting Officer for approval.
- One-on-one sessions were conducted with the officials concerned
- Workshops were also held with departmental officials to sensitise them on financial misconducts and how to avoid them.

Future Plans of the Department

The Department of Social Development will continue to contribute to the achievement of Government priorities, by optimizing social protection and coverage, in the 7th Administration as follows; Optimise social protection within available fiscal resources (including support to the unemployed). Protect the value of social grants for children, the elderly and persons with disability. Use the SRD grant as a basis for the introduction of a sustainable form of income support for unemployed people to address the challenge of income poverty. An effective, integrated and comprehensive poverty alleviation strategy is necessary to provide protection and support to the most vulnerable in society and Link social assistance with other forms of support to lift people out of poverty.

Public-Private Partnerships

The Department did not enter into any public–private partnerships during the reporting period.

Discontinued activities / activities to be discontinued

The Department did not have any discontinued activities during the period under review.

Supply Chain Management

The Department did not consider any unsolicited bid proposals for the year under review. All procurement was done in terms of the Department's Supply Chain Management Policy and procedures to prevent any irregular expenditure. The Department continues to promote small, medium and micro enterprises including co-operatives in areas where events are hosted.

Gifts and donations received in kind from non-related parties

Purpose	Amount paid directly to service provider R' 000
PACT/USAID	
Government Capacity Building Systems (GCBS): To strengthen the Department's capacity to improve service outcomes and reduce the incidence of HIV and AIDS for orphans and vulnerable children, adolescents, and youth (OVCA). The GCBS contract commenced in September 2013 and closed out on 6 September 2023.	9 099
DG Murray Trust	
NPO Funding Coordination: Technical assistance to implement a financing approach towards the sustainability of social welfare services for the most vulnerable.	799
Chief Risk and Infrastructure Management: Consultancy services on the implementation of Special Housing Needs Policy.	250
Japan International Cooperation Agency (JICA)	
Services to Persons with Disabilities: Capacities of DSD for the development of respite care services for children with disabilities and their families.	327
UNICEF	
Welfare Services: Technical support for the study tour to Mexico on the "global promotion of best practices for children in migration".	124
University of Cape Town	
Adoptions and International Social Services: Attendance of the training workshop on Children on the Move.	23
Pernod Ricard South Africa	
Services to Older Persons: Supply of bottled water for the participants of the Active Ageing Programme in March 2024.	10
Virgin Active Club	
Services to Older Persons: To provide aerobic exercise classes to the participants of the Active Ageing Programme in March 2024.	5

Donations in cash

German Development Bank KFW

The project aimed to build 17 community care centres (CCCs) in the North West, Limpopo and KZN provinces. In the 2023/24 financial year, R8,015 million was spent on finalising the construction of three remaining CCCs in Limpopo. This year, the Deputy Minister officially opened the three CCCs.

USAID

The implementation of the USAID-funded G2G project continued in the 2023/24 financial year, and R58,162 million was spent on activities related to the following objectives:

- To strengthen the Department's capacity to scale-up the implementation of primary prevention of sexual violence and HIV activities among 10–17 year olds.
- To reduce incidences of HIV and AIDS through social behaviour change programmes.
- To increase the demand for high impact HIV services and to promote protective behaviours.

The project was implemented through nine contracted NPOs.

GEWE (EU)

The project is aimed at strengthening the response, care, support and healing services for victims of crime and violence in South Africa and received R20,009 million in the 2023/24 financial year. Planning processes have commenced, and majority of the project will be implemented in the 2024/25 financial year.

Exemptions and deviations received from National Treasury

The Department did not receive any exemptions and deviations from National Treasury

Events after the reporting date

No events occurred after the reporting date

Acknowledgement/s or Appreciation

In conclusion, I would like to thank the Minister, the Deputy Minister, the CEOs of SASSA and the NDA, the staff of the Department, our provincial counterparts, civil society and all stakeholders who contributed to the work of the Department during the reporting period.



Mr Peter Netshipale: Acting Director-General

Department of Social Development

Date:

6 STATEMENT OF RESPONSIBILITY FOR AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT



social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA

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

All information and amounts disclosed throughout the annual report are consistent with the annual financial statements audited by the Auditor-General of South Africa.

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

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

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

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2024.

Yours faithfully

Mr Peter Netshipale
Acting Director-General
31 August 2024

7 STRATEGIC OVERVIEW

Mandate

The DSD provides social protection services and leads government efforts to forge partnerships through which vulnerable individuals, groups and communities become capable and self-reliant participants in their own development.

Vision

A caring and self-reliant society.

Mission

Provision of integrated, comprehensive and sustainable social development services.

Values

DSD values are:

- **Respect** – showing due regard for the rights and obligations of others
- **Equality and equity** – treating everyone fairly and equally
- **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
- **Human dignity** – respecting everyone's human rights

Principles guiding how we work

The DSD operates according to the following principles:

- Batho Pele principles – these principles aim to enhance the quality and accessibility of government services by improving efficiency and accountability to the recipients of public goods and services.

- Social justice – a concept of fair and just relations between the individual and society; people should have equal access to wealth, health, well-being, justice and opportunity.
- Human rights – rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion or any other status, including the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and many more.
- Good governance – how the Department will conduct public affairs and manage public resources in an effective and responsible manner.
- Collaboration – two or more people or organisations working together to complete a task or achieve a goal.
- Discipline – the practice of training people to obey rules or a code of behaviour, using punishment to correct disobedience.

Impact and outcomes

The Department has identified and committed itself to the following impact statement and outcomes.

Impact statement: Improved quality of life for the poor and vulnerable.

Outcomes:

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



8 LEGISLATIVE AND OTHER MANDATES

The Constitution

The DSD derives its core mandate from the Constitution of the Republic of South Africa (Act No. 108 of 1996). Section 27(1) (c) of the Constitution provides for the right to have access to appropriate social assistance for those unable to support themselves and their dependents. In addition, Section 28(1) of the Constitution sets out the rights of children regarding appropriate care, basic nutrition, shelter, health care and social services, and detention.

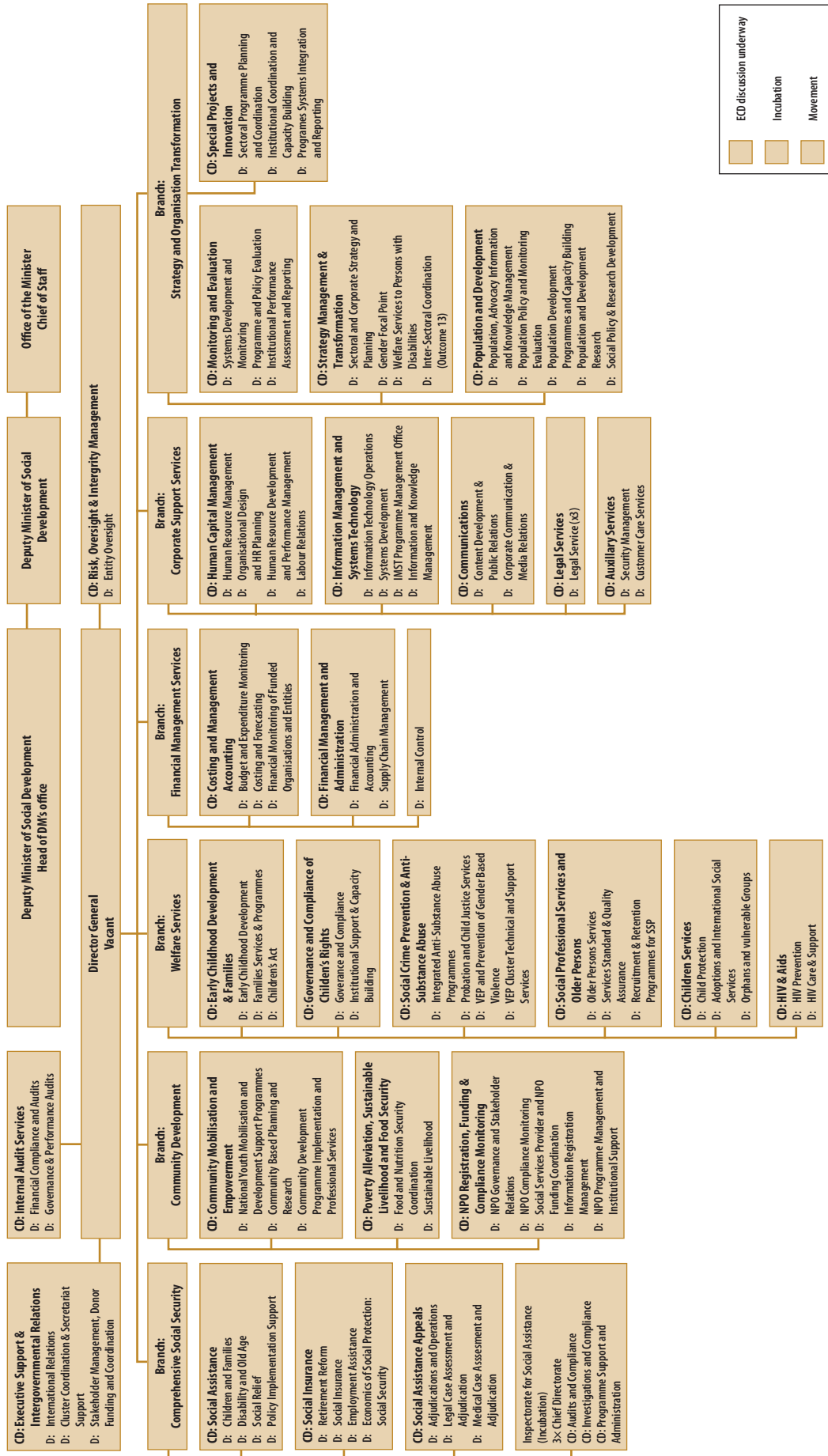
Schedule 4 of the Constitution further identifies welfare services, population development and disaster management as functional areas of concurrent national and provincial legislative competence.

The following existing laws constitute the legal framework for the Department of Social Development in South Africa:

Acts of Parliament

- Children's Act, 2005 (Act No. 38 of 2005)
- Children's Amendment Act, 2007 (Act No. 41 of 2007)
- Fund-Raising Act, 1978 (Act No. 107 of 1978)
- Non-Profit Organisations Act, 1997 (Act No. 71 of 1997)
- National Development Agency Act, 1998 (Act No. 108 of 1998), as amended by Act No. 6 of 2003
- Older Persons Act, 2006 (Act No. 13 of 2006)
- Prevention and Treatment of Drug Dependency Act, 1992 (Act No. 20 of 1992)
- Prevention of and Treatment for Substance Abuse Act, 2008 (Act No. 70 of 2008)
- Probation Services Act, 1991 (Act No. 116 of 1991)
- Social Assistance Act, 2004 (Act No. 13 of 2004)
- Social Assistance Amendment Act, 2010 (Act No. 5 of 2010)
- Social Service Professions Act, 1978 (Act No. 110 of 1978)
- The National Welfare Act, 1978 (Act No. 100 of 1978)
- The South African Social Security Agency Act, 2004 (Act No. 9 of 2004)

9 ORGANISATIONAL STRUCTURE



* Functions follows Strategy * Resources follow functions * Budget allocations (COE) * No unfunded posts * Service Delivery model * Span of control

10 PUBLIC ENTITIES REPORTING TO THE MINISTER

Name of entity	Legislative mandate	Financial relationship	Nature of operations
South Africa Social Security Agency (SASSA)	The South African Social Security Agency Act, 2004 (Act No. 9 of 2004) The Social Assistance Act, 2004 (Act No. 13 of 2004 as amended)	Transfer and subsidies	SASSA's key functions of the agency include the effective management, administration and payment of social assistance as well as: • The processing of applications for social assistance, namely: Older Persons Grants, War Veterans Grants, Child Support Grants, Care Dependency Grants, Foster Child Grants, Disability Grants, Grant-in-Aid and Social Relief of Distress. • The verification and timely approval of grant applications. • The management and reconciliation of grant payments to eligible beneficiaries by contractors. • The marketing of social assistance. • Quality service assurance by ensuring compliance with norms and standards, as well as fraud prevention and detection.
National Development Agency (NDP)	The National Development Agency Act, 1998 (Act No. 108 of 1998 as amended)	Transfers and subsidies	The NDA's key functions include grant funding, capacity building and research and development to civil society organisations. The key strategic objectives of the NDA, as prescribed in the legislation, are: • To grant funds to civil society organisations for the purpose of meeting the developmental needs of poor communities. • To strengthen the institutional capacity of organisations for long-term sustainability. • To proactively source funds for purposes of achieving its development objectives. • To promote consultation, dialogue and sharing of developmental experiences to debate and influence developmental policies. • To develop strategies to collaborate with local community development trusts, foundations, government clusters and civil society organisations.
The Central Drug Authority	Prevention of and Treatment for Substance Abuse Act, 2008 (Act No. 70 of 2008)	Operational/ functionality costs	Its key functions are to: • give effect to the National Drug Master Plan; • advise the Minister on any matter affecting the substance and drug abuse environment; and • promote measures relating to the prevention and combating of the abuse of drugs.



PART

B

PERFORMANCE INFORMATION

1 AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES



social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA

The Auditor-General of South Africa (AGSA) currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the “Predetermined Objectives” heading in the “Report on Other Legal and Regulatory Requirements” section of the auditor’s report.

The Auditor-General’s Report is included and published in Part E: Financial Information of the Annual Report.

2 OVERVIEW OF DEPARTMENTAL PERFORMANCE

Voted funds

	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
Appropriation	R'000	R'000	R'000	R'000
Department of Social Development	263 029 199	260 893 975	259 300 341	1 596 634
Responsible Minister	Minister of Social Development			
Administering Department	Department of Social Development			
Accounting Officer	Acting Director-General of the Department of Social Development			

Aim of Vote

Ensure protection against vulnerability by creating an enabling environment for the provision of a comprehensive, integrated and sustainable social development service.

Programmes

Programme 1: Administration

Provide leadership, management and support services to the Department and the social sector.

Programme 2: Social Assistance

Provide social assistance to eligible beneficiaries in terms of the Social Assistance Act, 2004 (Act No. 13 of 2004) and its regulations.

Programme 3: Social Security Policy and Administration

Provide for social security policy development, administrative justice, the administration of social grants, and the reduction of incorrect benefit payments.

Programme 4: Welfare Services Policy Development and Implementation Support

Create an enabling environment for the delivery of equitable developmental welfare services through the formulation of policies, norms and standards and best practices, and support implementing agencies.

Programme 5: Social Policy and Integrated Service Delivery

Support community development and promote evidence-based policy-making in the Department and the social development sector.

3 SERVICE DELIVERY ENVIRONMENT IN 2023/24

The social development sector delivers its services in an environment that is characterised by high levels of poverty, unemployment and inequality. To respond adequately to these challenges, the Department has committed itself to implementing interventions in the areas of social assistance, social welfare and community development. Its programmes are geared to meeting the goals of the National Development Plan (NDP) and the Medium-Term Strategic Framework (MSTF), with the Department leading the coordination of MTSF Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services.

Social Assistance

A cornerstone in the fight against poverty and inequality, especially among children and older persons, remains the provision of comprehensive social security, including income support and a safety net for the poor. This social assistance remains the single most significant contributor to the fight against poverty and inequality.

In 2023/24, through the South African Social Security Agency (SASSA), the Department expanded the safety net to almost 29 million South Africans. This includes 13.2 million children who benefitted from the Child Support Grant (CSG), four million older persons who received the Older Person's Grant and almost 11 million beneficiaries who received the Social Relief of Distress (SRD) grant, as part of the Department's Covid-19 pandemic interventions.

Social Security Policy and Administration

The Department continued to formulate policy and legislative proposals for contributory income support aimed at protecting households against life-cycle risks, such as unemployment, ill health, retirement, disability and the death of a breadwinner. In pursuit of this goal, the Department is in the process of developing the following policies:

- Policy on Integrating Children's Grant Beneficiaries, with the aim of linking children grants to a basket of government services, which will lead to the sustainable and resilient well-being of children.
- Policy on Maternal Support, with the aim of addressing the income-support needs of pregnant women.
- Policy on Income Support for 18–59 years old, with the intention of introducing a basic income grant, based on the temporary Covid-19 SRD Grant, that has the potential to reduce poverty, inequality and further create linkages with labour activation programmes.
- Policy on Voluntary Cover for Retirement and Risk Benefits for Atypical and Informal Sector Workers.

Cabinet has considered and approved the gazetting and call for public comments of the revised Green Paper on Comprehensive Social Security. This is an important step towards the development of the draft White Paper on Comprehensive Social Security, which will improve both the coverage and adequacy of social security benefits and the responsiveness of the institutional framework, to ensure universal coverage through coherent policy-making and equitable financing.



The White Paper will ensure that social assistance responsibilities are distributed between basic income security and social insurance, linking benefits with previous income, and between public and private efforts. It will balance the need for social risks and contingencies to be adequately addressed against the need for systems to remain financially sustainable. It will also secure coverage, accessibility and portability for formal sector workers and provide accessible inroads and incentives to participate for informal sector workers.

During the reporting period, the Department conducted an audit of the disability grant medical review processes. The audit report covered fraud risks and non-compliance areas found in the social assistance frameworks and systems, such as payment of fraudulent grants and payment of grants at cash pay points, etc. The findings with the audit recommendations will assist the Department and SASSA to improve their systems and internal controls, ensuring the social assistance objectives are met.

Welfare Services Policy Development and Implementation Support

During the period under review, the Department capacitated 63% (4 695 of 7 395) of social service professionals across the provinces on the Children's Act, including prevention and early intervention, child protection, adoption, parental responsibilities and rights, childcare facilities and alternative care.

Families and parenting

In November 2023, Cabinet approved the White Paper on Families, which provides guidelines and strategies for the twin goals of strengthening families and strengthening communities as support networks for families. It has risen out of the need to prevent the disintegration of families and to change the unfavourable conditions affecting families and communities.

Social service professionals in 17 districts received training in reunification services, which involve strengthening families to be able to care for and protect their family members through implementing a reunification care plan and permanency plan. These reunification services seek to restore the well-being of families, enable them to regain self-reliance and optimal social functioning, and to facilitate the reintegration of people into family and community life after separation.

The Department trained social service professionals in 17 districts on the Teen Parenting Programme, which explores challenges, support systems and the kind of support that social workers can render to enable teenagers to be effective parents. The Department also trained social service professionals in seven districts on the Sinovuyo Teens Parenting Programme, which seeks to improve relationships and communications between caregivers and teens.

Social and behaviour change

During the period under review, the Department capacitated all provinces on the compendium of social and behaviour change (SBC) programmes, including the Families Matter Programme (FMP), youth programmes (YOLO, ChommY), Rock Leadership (for traditional leaders), as well as Facilitation Skills. The aim was to provide social service professionals and non-profit organisations (NPOs) with the necessary skills and knowledge for implementing the SBC programmes to the different target groups in their communities with a view to preventing new HIV infections.

The Government to Government (G2G) Project reached 99 359 orphans, vulnerable children and youth (OVCY), or 125% of the annual target (79 613 beneficiaries):

- YOLO: 52 784 adolescents aged 15–17 years old.
- ChommY: 42 741 young adolescents aged 10–14 years old.
- DREAMS Family Strengthening: 3834 adolescent girls and their parents/caregivers, through the Let's Talk intervention.
- In 10 districts, 322 social service practitioners received training on the Guidelines for Social Service Practitioners: Enabling access to HIV services. The implementation of these guidelines will strengthen referrals for HIV testing for those at high risk, linkages to treatment and provision of psychosocial support for disclosure, and treatment adherence support.

National and international adoption

The Department conducted capacity-building sessions on the Practice Guidelines for National and Intercountry Adoption for 151 participants across six provinces: Eastern Cape, Northern Cape, Limpopo, KwaZulu-Natal, North West and Mpumalanga.

The Department also facilitated the National DSD Adoption Forum, which is a platform for DSD social workers to engage on adoption-related matters and receive technical support.

Members learn from discussions about challenging cases, and provinces are motivated to improve their adoption services.

In some provinces, the number of adoptable children increased, as a result of strengthening the assessment of children placed in child and youth care centres, and the number of prospected adoptive parents increased following the promotion of adoption services.

The Department continued to coordinate cross-border activities on unaccompanied and separated migrant children, holding cross-border meetings with Zimbabwe, Mozambique, Lesotho, Angola, Botswana and the Kingdom of Eswatini. The cross-border coordination forums provide a platform, for governments and NGOs working with unaccompanied and separated migrant children (USMC) from different countries, to deliberate on child protection issues affecting children migrating across the borders. The aim is to ensure effective and coordinated case management and child protection systems between the countries, to discuss cross-border issues and to resolve cases efficiently.

Community-based services

The Department continued to monitor the implementation of community-based prevention and early intervention services to vulnerable children (the RISIHA Programme) through quarterly sessions with provinces. The Department visited 12 districts in four provinces to assess progress made by implementing partners (NPOs) in providing services to vulnerable children, and to determine best practices that could be shared with implementing organisations in other provinces, as well as the impact of the programme on beneficiaries.

During the reporting period, the Department monitored the implementation of the foster care Programme of Action in all provinces through analysing provincial quarterly reports and presentations made at the Welfare Services Forum and the Child Protection Committee. The programme's intent is to put in place sustainable mechanisms, structures and resources to ensure effective management of foster care services in provinces. Provinces are at various levels of achieving the programme's outcomes.

The Department also monitored the implementation of the Intersectoral Protocol on the Prevention and Management of Violence against Children, Child Abuse, Neglect and Exploitation in all provinces through analysing provincial

quarterly reports and presentations made at the Welfare Services Forum. Provinces are making progress in implementing the protocol's pillars (prevention and protection, response and support services, and care and support) and are reaching out to professionals, parents/caregivers and children through education and awareness programmes, as part of the prevention and early intervention programmes.

Legislation and policies

The Department is in the final phase of developing the Social Service Practitioners Draft Bill (2021). During the reporting period, the Office of Chief State Law Advisor (OCSLA) issued a pre-certification confirming that the Bill is consistent with the Constitution and drafted in accordance with the standard legislative drafting practices. The Draft Bill is ready for consideration by Nedlac in the 2024/25 financial year.

The Department developed the monitoring and evaluation framework for the Social Service Professions Act, 1978 (Act 110 of 1978), as a mechanism to improve the management and reporting on the Act's implementation. Consultations were held with the South African Council for Social Service Professions (SACSSP) to get their buy-in and support of the framework, which is central to the institution's capacity to regulate social service professions. The Department is also addressing the fragmentation and misalignment of various regulations developed in terms of the Act by consolidating the different formats and versions into a single document. This will ensure that the Social Service Professions Regulations are compliant with the legislation being drafted. The consolidated regulations will be published in the government gazette during 2024/25 to raise awareness about this single point of reference.

The Department monitored the implementation of the universal treatment curriculum (UTC) in 12 treatment centres, whereby a continuum of services is provided, from screening, brief intervention, referral, treatment, care, support, rehabilitation, reintegration and aftercare services.

The fight against substance abuse remained a priority to the Department. Cabinet approved the draft Prevention of and Treatment for Substance Use Disorders Policy for gazetting for public comments. The public comments were integrated into the draft policy, which was approved by the Social Protection, Community and Human Development (SPCHD) and the Justice Crime Prevention and Security (JCPS) clusters.



Victim empowerment

The Department conducted education and awareness campaigns for children and youth at 54 campuses (institutions of higher learning and colleges) across the country. The campaigns focused on empowering children and youth with a comprehensive knowledge of crime prevention-related matters, including measures to take to prevent being either victims or perpetrators of crime and violence, and the social ills that are opportunistic and contribute to the committal of criminal and violent activities.

Children with disabilities

The Department's Respite Care Services for Children with Disabilities and their Families project is aimed at creating an inclusive community-based model and includes identifying potential NPOs that can provide the services.

This year, sessions were held in Mpumalanga and the Northern Cape provinces to prepare stakeholders for the implementation of these services. NPOs identified to provide respite care services were Siyiwe and Sizakele Stimulation Centres in Mpumalanga, and Strong Women Organisation and Oasis Skills Development Centre in the Northern Cape. Two respite care models – home-based and centre-based care – were chosen for the study sites based on project activities and consultations. Home-based care involves providing quality services in the child's home, while centre-based care involves taking children to daycare or stimulation centers for social interaction and structured activities.

Social Policy and Integrated Service Delivery

This year, the Department monitored the implementation of its Youth Development Policy in all nine provinces, as part of its efforts to develop and facilitate the implementation of youth development and empowerment programmes.

In March 2024, the Department presented a draft Sexual and Reproductive Justice Strategy at a consultative session attended by stakeholders that included sector departments, civil society organisations (CSOs) and young people. Inputs that emerged during the engagement were used to develop and finalise the strategy.

EPWP Social Sector

The Department's Special Projects and Innovation Unit continued to coordinate the cross-cutting and transversal Expanded Public Works Programme (EPWP) Social Sector mandate, facilitating the integration, coordination and alignment of strategy to sector priorities. The EPWP Social Sector includes the departments of social development, health, education, community safety and sports, which collectively contribute to providing temporary work opportunities targeting mainly the youth, women and persons with disabilities. This year, the Department coordinated the creation of 200 807 work opportunities through the Social Sector programmes and 24 340 work opportunities through DSD programmes.

Social Policy

The Department's Social Policy Unit produced the State of the People Report, which is a situational analysis of the South African population based on the Census. The report looks at poverty levels and other related socio-economic factors that contribute to social inequalities in the country, and outlines programmes that the Department implements to mitigate the identified challenges. Before the report was finalised, a consultation was conducted with the National Commission's Social and Humanities Committee.

In July 2023, the Department convened a Population Policy +25 Conference, which was attended by leaders from academia, government and CSOs. The conference focused on four themes: population dynamics, gender, sexual and reproductive health and rights, and migration and urbanisation. A total of 22 papers were presented across the various thematic sessions. The conference also included a segment commemorating World Population Day and a panel discussion on the population policy's past (original intention), present (current situation) and future.

In September 2023, the Department convened a BRICS Seminar on Population (in Durban) that was attended by delegates from Russia and China (in person), and Brazil and India (online). The seminar's theme was "The Dynamics of the Changing Population Age Structure of BRICS Countries: Opportunities and challenges, including climate change".

Civil society organisations and communities

CSOs play an important role in delivering services on behalf of the Department, and this year saw a significant increase in NPOs registered in compliance with Section 13(2) of the NPO Act. As part of its efforts to strengthen CSOs in communities and improve

NPO registration services, the Department processed 17 245 of the 24 467 new applications for registration within the required two-month period. Of the 59 972 reports received, 50 610 were processed within two months.

The Department's Community Development Unit mobilises communities and brings social change and justice, by working with communities to identify their needs, opportunities, rights and responsibilities, and then to take action. This year, the draft National Community Development Policy, which is aimed at coordinating and integrating community development interventions and standardising practices nationally, was submitted to Cabinet for approval. The Department also undertook an evaluation of the Community Development Practice and Methodologies training of community development practitioners (CDPs) in three provinces, to understand the impact of this training on improving skills for empowering communities.

Governance and Institutional Development

An integral part of accountability and efficiency is maintaining sound organisational and business practice. In this regard, financial audits were conducted in accordance with the standards and requirements of the Institute of Internal Auditors and the Department's Audit Charter. The audit findings were submitted to the Audit Committee and the Department's senior management who took the necessary corrective action to address identified deficiencies. Quarterly risk management reports and programme performance reports on predetermined objectives were sent to the executive authority, the National Treasury, the Department of Planning, Monitoring and Evaluation (DPME) and AGSA. The Department also continued to implement sound financial management practices aimed at promoting the efficient utilisation of resources.

4 SERVICE DELIVERY IMPROVEMENT PLAN

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Customer Care Helpdesk	Citizen complainants to the Department	7 days turn-around to give feedback to client	3 days/72 hours turn-around to give client feedback	On average, 7 days turn-around time

Batho-Pele arrangements with beneficiaries (consultation, access, etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Customer Service Charter placed at every service office where DSD services are delivered	To develop and implement service standards for each service office to set a standard for service delivery for DSD clients	Service Standards Policy have been developed for the GBV Command Centre to guide its work

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
The Department has a comprehensive service delivery information tools approach including media, social media, community radio platforms, webs services, toll-free lines and an active outreach programme	Information tools in place	Information tools in place

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
DSD Customer Care Helpdesk, NPO Helpdesk, Appeals Call Centre, Reception and DSD Switchboard	A DSD Integrated Contact Centre service	DS Customer Care Help desk, NPO Helpdesk, Appeals Call Centre, Reception and DSD Switchboard

5 OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT FOR 2023/24

During the period under review, the Department continued with its trajectory of performance diligence and service excellence despite not having permanent key management personnel. The organisation's performance remained at its peak with a unqualified audit finding and no major system failures.

However, the constrained compensation budget made the filling of critical vacancies challenging. The continued acting arrangements and the absence of key leadership positions created animosity among certain senior management staff. The filling of Director-General post, which would have created the much desired stability within the Department, was scuppered when the contents of the Cabinet memorandum were leaked to the media with the finding by the Department of Public Service and Administration (DPSA) that non-compliance to the job evaluation prescripts did not permit them to take the appointment to

Cabinet. Senior managers who had reservations about the acting arrangements in the Department petitioned the Minister to have the non-compliance investigated. As a consequence, management structures comprising senior management became non-productive and key policies were not approved.

Notwithstanding the financial challenges that compromised the filling of critical positions, the Department's overall performance remained above average: key strategies and policies were approved, capacity-building continued and services to the most vulnerable continued unabated.

The recently approved Strategy for the Employment of Social Service Professionals provides the necessary opportunity to continue to serve the most vulnerable in creative ways, as we transition into the 7th Administration.

6 KEY POLICY DEVELOPMENT AND LEGISLATIVE CHANGES

The following policies and legislation, which may or will affect the Department's operations, were developed or approved during the reporting period.

- White Paper for Social Development
- Social Services Practitioners Bill
- Older Persons Amendment Bill
- Regulations on the Children's Amendment Bill
- National Plan of Action for Children in South Africa
- Non-Profit Organisations Amendment Bill
- Victim Support Services (VSS) Bill
- Policy on linking CSG beneficiaries to government services
- Policy on Maternal Support
- Policy Proposal on income support for 18–59 year olds
- Revised White Paper on Families
- Green Paper on Comprehensive Social Security
- National Community Development Policy
- SASSA Amendment Bill
- NDA Amendment Bill

7 PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACT AND OUTCOMES

The Department's Strategy Management and Transformation Programme is responsible for coordinating and facilitating the alignment between the MTSF Priority 4, the DSD's strategic plans and the DSD's annual performance plans (APPs).

The DSD's Sector Strategic Plan articulates the mandate, vision, mission, impact, outcomes and indicators for the national and provincial departments and entities. Provinces and entities are expected to contribute to the common impact through

the outcomes. Throughout the MTSF, the DSD sector has developed APPs that contribute to the impact of "Improved quality of life for the poor and vulnerable". These APPs were assessed to ensure alignment to the impact and the outcomes.

The annual reports of the DSD reflected on progress made over the years, and an end-of-term report was produced to ascertain progress made during the 6th Administration.



8 EXECUTIVE MEMBERS



PETER NETSHIPALE

Acting Director – General Department
of Social Development



LUMKA OLIPHANT

Acting DDG Corporate
Support Services



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Acting DDG Welfare Services Policy
Development and Implementation Support



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DDG Comprehensive
Social Security



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Acting Chief
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9 PERFORMANCE BY PROGRAMME

Programme 1: Administration

Programme Purpose

To provide leadership, management and support services to the Department and the social sector.

Entity Oversight

The oversight committee activities included quarterly reviews and assessments of the non-financial and financial performance reports from the National Development Agency (NDA) and SASSA. During the reporting period, the Executive Management Committee approved the monitoring and evaluation framework for the Social Service Professions for further processing by MINMEC.

Stakeholder Management and Donor Coordination

This year, the Department implemented its Stakeholder and Donor Management Strategy and hosted a ministerial stakeholder engagement session, which was attended by the Minister, MEC of Social Development from Mpumalanga and representatives from the corporate sector, NPOs and government entities.

The Department's stakeholder engagements focused on the banking and retail sectors, corporates and developmental institutions. The panel discussions highlighted the following:

- The need to build a society that does not rely on grants and on government to create jobs, but rather to be job creators themselves.
- The need for government to go to the people and implement the great policies and strategies that are in place.
- The need for government to mobilise social partners innovatively with the view to ensuring that social and economic security issues become a societal responsibility.

The Department hosted a Social Innovation Roundtable, which was attended by representatives from the NDA, Wits University, National School of Government (NSG) and SASSA. The Roundtable focused on finding innovative ways to develop and implement poverty alleviation programmes and included a presentation by the Beijing Institute on the People's Republic of China's programmes and systems used to deal with poverty challenges.

During the drought in the Northern Cape Province, the Department worked with various partners to deliver humanitarian relief to Calvinia, where the Minister handed over food parcels, nappies, water bottles and blankets.

The Department also coordinated the participation of the Minister and the Deputy-Minister in the Women's Month celebration in Magakala, Magadimana Ntweng Tribal Authority. Traditional leaders from various communities across the country attended the event, which focused on highlighting the impact of the scourge of gender-based violence (GBV) on the economy and society.

Monitoring and Evaluation

During 2023–2024, the catalogue for provincial-specific indicators was developed, and enhancements to the electronic monitoring and evaluation (M&E) system were completed and tested. The M&E system was rolled out to the North West Province, and a costed implementation plan for Free State Province was developed, with confirmed dates for rolling it out to five districts and the provincial office.

In addition, the Department produced the Social Development Index, which was presented to key stakeholders, and reports on social development trends and analysis of vulnerable children trends in South Africa. The integration of various datasets enabled several products to be finalised, including a report on the 2023 Educational Outcomes of Learners receiving Social Protection Services and a Profile of Grade 1–12 Social Grant Beneficiaries.

This year, the Multi-year Evaluation Plan was revised and presented in various platforms, while evaluations were undertaken of the CDP Training Programme, Government's Response to Teenage Pregnancy, Care Dependency Grants, and the SRD Grant. Improvement plans were developed with key stakeholders for three programmes: Household Food and Nutrition, Information Management Systems and Technology (IMST) Strategy, and Alignment of Planning Processes, while activities were implemented through collaborations established with UNICEF, the United National Population Fund (UNFPA) and the University of Johannesburg.

Finance

The Department obtained an unqualified audit opinion (clean audit) from the AGSA on its 2022/23 audited Annual Financial Statements.

Monthly analyses of expenditure trends and financial compliance were done to ensure that appropriated funds were spent in line with the Department's mandate.

The Department continued to oversee the management and administration of social grants by SASSA and remained accountable for the adjusted budget of R 252 billion received for the payment of social grants.

The Department also continued its efforts of developing, reviewing, and implementing effective financial management and administration policies. The Bid Committees (Specification, Evaluation and Adjudication) continued to perform efficiently and effectively within the Department concerning tenders above the value of R 1 000 000. During the year under review, the Department complied with all the Instruction Notes and Circulars received from the National Treasury

Information Management Systems and Technology

With the approval of the Memorandum of Understanding (MoU) for facilitating information management among departments within the Social Cluster, the IMST Unit successfully set up an information exchange platform, the National Integrated Social Protection Information System (NISPIs). The platform enables the Social Cluster to share data seamlessly and so strengthens the coordination, planning, monitoring and evaluation of social protection services. The DSD has successfully provided a stable disaster recovery facility, which has ensured business continuity for IMST services. Furthermore, the DSD has implemented the integrated justice system convergence data exchange platform, which is a cutting-edge solution that integrates all existing datasets to facilitate seamless information between the JCPS Cluster departments and SPCHD Cluster departments. The DSD has successfully implemented provisions of the Promotion of Access to Information (PAIA), 2002 (Act No 2 of 2000) and Protection of Personal Information, 2013 (Act No. 4 of 2013).

Human Capital Management

On 28 February 2024, Cabinet approved the Strategy for the Employment of Social Service Professionals, which will leverage and expand the employment of social service professionals to address social ills that adversely affect the country and society. Social service professionals will be employed from the current pool of unemployed social service graduates.

Prior to the approval, the draft strategy was tabled to the following structures: Portfolio Committee (November 2023), MINMEC (December 2023), Intersectoral Forum and SPCHD Cluster (December 2023), and Cabinet Committee and National Treasury (February 2024). The Department also conducted a bilateral engagement with Business South Africa (BUSA) to reflect on employment opportunities within the private sector organisations.

As at 31 March 2024, compared to a target of 55 000 social workers, Government employed 23 561 social service professionals across the departments of social development, basic education, correctional services, justice and constitutional development and health, as well as the South African Police Service (SAPS).

Legal Services

Despite human resource constraints in the Legal Services Unit, the Department achieved its strategic objectives in respect of contract management. The processing of contracts through the contract management system contributed to reducing possible litigation risks and ensuring compliance with the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999). It also facilitated the review of contracts entered into by the Department and audit compliance.

The Department's contingency liability did not increase, as legally sound decisions were made based on the principles of administrative law. In addition, legislative mechanisms intended to reduce the foster care backlog ensure that the comprehensive legal solution to foster care is realised. The Department also processed the Older Persons' Amendment Bill and submitted it to Parliament, to ensure the protection of older persons in the country, as well as the Fund-Raising Amendment Bill that is aimed at mitigating the impact of natural disasters currently ravaging the country.

Programme 1: Administration

Entity Oversight

Outcome	Functional efficient and integrated sector					Reasons for Deviation from 2023/2024 Target
	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/24	Actual Outputs 2023/2024	
An implemented Entity Governance and Oversight Framework	Entity Governance and Oversight Framework implemented	The shareholder Compacts (Entity Agreements) were developed	As part of implementation of the Entity Oversight Framework, performance reports for 2022/23 for SASSA and NDA were presented and analysed. The Entity Agreements were submitted to Legal for quality assurance, corrections and improvements were incorporated for final approval. Consultations were held with the Central Drug Authority (CDA) to customise the Agreement accordingly and that the Department should further investigate the classification of CDA, as it is different from the normal Schedule 2 or 3 Entities. Interface meetings were conducted with Entities to finalise the 1st and 2nd draft of the APP 2023/24 with the Minister.	Implement the Entity Governance and Oversight Framework	Entity Governance and Oversight Framework was Implemented through convening quarterly performance review sessions with entities.	No deviation

Stakeholder Management and Donor Coordination

Functional efficient and integrated sector					
Outcome	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/24	Actual Outputs 2023/2024
Implemented Strategy on Stakeholder and Donor Management	Stakeholder and Donor Management Strategy implemented	Strategy on Stakeholder and Donor Management was developed and approved. The strategy was implemented as follows: Memoranda of understanding were signed with the following organisation: - Financial Intelligence Center on strengthening and formalising matters of mutual collaboration, assistance and exchange of information between the Parties, as well as increasing transparency and accountability within the NPO sector. - Nikela Trust on the Rounder Initiative - South African Revenue Services on establishing cooperation between SARS and DSD regarding programmes that may directly complement or supplement one another as well as leveraging resources by sharing resources, information and expertise for common beneficial purposes that will enhance both Parties' organisational strategies and mandates. - DG Murray Trust on the technical support for Social Welfare and Community Development programmes. - Procter & Gamble on initiatives which are set to bolster gender equality and woman empowerment; foster collaboration in initiatives which aim to increase provision of sanitary dignity packs in schools and cooperate on initiatives to support local female entrepreneurs.	The strategy was implemented as follows: The departmental profile on partnerships has been updated and placed on share point. A database for the Department's partnerships/stakeholders has been created and digitised. Coordination of humanitarian relieve assistance from various donors for floods victims during the state of disaster. Stakeholder/donor engagement roundtables were held which focused on service delivery areas that require public/private partnership for effective implementation. An engagement on disaster relief was held with the Church of Jesus Christ of the Latter-day Saints after the declaration of a national state of disaster due to impact of flooding. Gill and Allan Grey Foundation on partnership in initiatives which set to bolster social entrepreneurship that promotes youth and women empowerment, collaboration on social services infrastructure programmes as well as technical and capacity building programmes for social enterprises. Sasol Foundation collaboration on the support of SASSA grant beneficiaries who have passed matrix.	Implement the Stakeholder and Donor Management Strategy	The strategy was implemented as follows: - Hosting a Ministerial Stakeholder Engagement Session. - Hosting of a Social Innovation Roundtable. - During the flood disaster period the department worked with various partners to deliver humanitarian relief to victims in Calvinia in the Northern Cape Province. - Participation of the Deputy Minister and Minister in the Women's Month celebration in Magakala, Magadimana Ntweng Tribal Authority.

Stakeholder Management and Donor Coordination *(continued ...)*

Functional efficient and integrated sector						
Outcome	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/24	Actual Outputs 2023/2024	Reasons for Deviation from 2023/2024 Target
Outputs		Meetings with stakeholders - A total of seven (7) stakeholder roundtables were organised on the following topics: Digital Transformation and innovation, Improving service delivery excellence within the NPO sector, Sustainable Livelihoods, social Welfare index, State of children in SA, Future funding for the DSD Portfolio as well as Practically implementing the district Development Model for the DSD Portfolio. - Participated in a session with UNICEF to discuss partnership with the DSD. - Lead a process of consolidation of the Department's database on signed partnership agreements. - Coordinated and participated in a meeting with SAPS to discuss programmes for the implementation of the signed MOU between SAPS and DSD.	First Rand foundation on GBV, disaster relief, linking of grant beneficiaries to opportunities. International We Luv U foundation donated 500 food parcels to 500 people in three Shelters in KZN on provision of support during natural disasters. UNDP on cooperation in areas of mutual concern on social development broadly and social entrepreneurship as well as enhancing the effectiveness of their effort. Memorandums of Understanding were signed with action development agency, Procter and Gamble, United Nations Development Programme.			

Monitoring and Evaluation

Functional efficient and integrated sector						
Outcome	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/24	Actual Outputs 2023/2024	Reasons for Deviation from 2023/2024 Target
An implemented Electronic M&E System for the Social Development Sector	Electronic M&E System for the Social Development Sector Implemented	The Electronic M&E System for selected Social Development Sector Programmes has been developed: M&E Framework, Theories of Change, Output and Outcomes Indicators, Technical Indicator Descriptions for all DSD Programmes finalized. As-Is Reports for all provincial DSD Completed Business and functional requirements reports for the M&E System completed. Proof of concept of M&E System completed. The proof of Concept was demonstrated to the DSD by the service provider. The Electronic M&E System has now been deployed on the DSD training platform.	The Electronic M&E System was successfully piloted in Eastern Cape, KwaZulu-Natal and Gauteng Provinces.	Roll out the Electronic M&E System for Social Development Sector in one (1) province.	Electronic M&E System for Social Development Sector was rolled out in North West province.	No deviation
	A developed Social Welfare Index Report (SWI)	New indicator	A concept document for the Social Welfare Index Report (SWI) was developed.	Develop the Social Welfare Index.	The Social Development Index was developed.	No deviation

Finance

Outcome	Functional efficient and integrated sector					
Outputs	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/24	Actual Outputs 2023/2024	Reasons for Deviation from 2023/2024 Target
Unqualified Audit Opinion	Audit opinion on Annual Financial Statements (AFS)	The Department obtained unqualified audit opinion from the AGSA on its 2020/21 audited Annual Financial Statements.	The Department obtained an unqualified audit opinion with findings from the AGSA on its 2021/22 audited Annual Financial Statements.	Obtained Unqualified Audit opinion	The Department obtained an Unqualified Audit opinion from the AGSA on its 2022/23 audited Annual Financial Statements.	No deviation

Information Management Systems and Technology

Outcome	Functional efficient and integrated sector					
Outputs	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/24	Actual Outputs 2023/2024	Reasons for Deviation from 2023/2024 Target
An implemented National Integrated Social Protection Information System (NISPIs).	Integrated information system/databases to facilitate information management between departments (DSD, DOEL, COGTA, DOH, DHA, DBE, DHET) developed and functional.	Service provider was appointed for the development of the system which will be finalised and rolled-out throughout the country in June 2023. VEP and GBV systems fully integrated. Enterprise architect and system prototype for Alternative Care Management System have been completed.	As part of implementing the NISPIs, the Concept Note was approved, acquired and registered the NISPIs Domain through SITA and the convergence tool was procured to enable information exchange between Social Cluster departments in order to realise NISPIs.	Establish an integrated social security database linking relevant databases by 31 March 2024.	Successfully integrated information systems/ databases to facilitate information amongst Social Cluster departments i.e. DSD, DOEL, DOH, DBE, DHET, NSFAS, SASSA. Integration with COGTA on the indigent data underway.	Delay in signing of the MOU between DSD and COGTA.
Strategies to overcome under performance						
Integration with COGTA on indigent household data to be finalised by the end of September 2024.						

Human Capital Management

Functional efficient and integrated sector						
Outcome	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/2024	Actual Outputs 2023/2024	Reasons for Deviation from 2023/2024 Target
Outputs						
An approved Government-Wide Strategy for the employment of Social Service Professionals.	Government-Wide strategy for the employment of Social Service Professionals approved.	The draft Sector Strategy for the Employment of Social Service Professionals has been developed and supported by both Heads and MECs of the provincial departments. The concept paper was developed depicting the need to enhance and strengthening the relationship, collaboration, integration, consultation, mutual support and cooperation between sector departments on the development of the sector Strategy for Employment of Social Services Professionals. The Terms of Reference were developed to establish the Inter-Sectoral Forum to guide and provide strategic direction to the development of Sector Strategy for Employment of Social service Professionals. Several consultations and engagements were held with various critical stakeholders to table the draft strategy. The capacity analysis was conducted to determine the workforce and post supply and demand. A capacity analysis report with supply and demand of post within the provincial departments and sector departments was developed.	Government-Wide Strategy on the Employment of Social Service Professionals was not submitted to Cabinet. The Strategy was presented to the Technical Working Group for Social Protection.	Submit the Government-Wide Strategy for the Employment of Social Service Professionals to Cabinet for approval.	The Sector Strategy for the Employment of Social Service Professionals was submitted and approved by Cabinet on 28 February 2024.	No deviation
Increased numbers of social workers hired – in schools, in companies, in each correctional facility.	Increase in number of social workers hired – in schools, in companies, in each correctional facility.	New indicator	New indicator	55 000 social workers employed by government by 31 March 2024.	Government has currently employed 23 561 social workers across different government departments, and these are: DSD, DBE, DCS, DOJCD, DOH, SAPS.	The budget cuts on compensation of employees budget across government departments had a huge impact on filling of posts and recruitment processes.

Legal Services

Outcome	Reduced levels of poverty, inequality, vulnerability and social ills					
Outputs	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/24	Actual Outputs 2023/2024	Reasons for Deviation from 2023/2024 Target
An approved SASSA Amended Act.	SASSA Amended Act approved.	Draft SASSA Amendment Bill was compiled.	SASSA Amendment Bill was not submitted to Cabinet. The Bill still being considered for a preliminary opinion by the Office of the Chief State Law Adviser.	Submit the Draft SASSA Amendment Bill to Cabinet for approval to introduce the Bill to Parliament.	The Draft SASSA Amendment Bill was not submitted to Cabinet for approval.	The Leader of Government Business advised against sending any new legislative proposals until the end of the current administration.
Approved Victim Support Services (VSS) Bill.	Victim Support Services Bill approved.	N/A	Victim Support Services Bill was not submitted to Cabinet. The Bill is still being considered at NEDLAC before it can be submitted to Cabinet.	Submit the VSS Bill to Cabinet for approval to introduce to Parliament.	VSS Bill was not submitted to Cabinet for approval to introduce to Parliament.	The Leader of Government Business advised against sending any new legislative proposals until the end of the current administration.
Approved NDA Amended Bill.	NDA Amended Bill approved.	Concept document on amendment of NDA Act has been developed.	Draft NDA Amendment Bill developed.	Submit NDA Amendment Bill to Cabinet for approval to solicit public comments.	NDA Amendment Bill was not submitted to Cabinet for approval to solicit public comments.	The Bill validation process is still underway.
Strategies to overcome under performance						
The targets will be prioritised in the next financial year						

Linking performance with budgets – Programme 1: Administration

P 1: ADMINISTRATION							
Details per Sub-Programme		2023/2024			2022/2023		
		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
1.1	Ministry	51 921	51 575	346	56 520	56 424	96
1.2	Departmental Management	72 470	71 659	811	78 560	78 008	552
1.3	Corporate Management	188 066	187 296	770	190 402	189 917	485
1.4	Finance	87 907	87 308	599	161 987	161 957	30
1.5	Internal Audit	12 770	12 462	308	14 409	14 163	246
1.6	Office Accommodation	43 256	43 250	6	38 607	38 607	–
TOTAL		456 390	453 550	2 840	540 485	539 076	1 409

Programme 2: Social Assistance

Programme Purpose

To provide social assistance to eligible beneficiaries in terms of the Social Assistance Act, 2004 (Act No.13 of 2004) and its regulations.

Social Assistance

For the 2023/24 financial year, the Department of Social Development made payments to beneficiaries of social grants, which included the SRD R350 grant, to the value of R252 billion. During the 2023 Adjusted Estimates of National Expenditure process, an amount of R1.735 billion was declared as savings due to significant and unforeseeable economic and financial events.



Programme 2: Social Assistance

Social Assistance

Outcome	Reduced levels of poverty, inequality, vulnerability, and social ills					Reasons for Deviation from 2023/2024 Target
Output	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/2024	Actual Output 2023/2024	
Transferred funds to SASSA for administration and payment of social grants to beneficiaries on behalf of DSD.	Monthly payment of social grant beneficiaries as administered and paid by SASSA on behalf of DSD.	A total of R222,645,214,000 was made available to SASSA for the payment of social grants between April 2021 to March 2022 with the monthly breakdown as follows: - April: R18.1 billion - May: R15.8 billion - June: R16.0 billion - July: R16.0 billion - Aug: R16.1 billion - Sept: R16.1 billion - Oct: R16.15 billion - Nov: R16.19 billion - Dec: R16.2 billion - Jan: R16.15 billion - Feb: R29.2 billion - March: R29.3 billion	A total of R239 billion was made available to SASSA for the payment of social grants between April 2022 to March 2023 with the monthly breakdown as follows: - April: R20.5 billion - May: R20.5 billion - June: R20.6 billion - July: R20.6 billion - Aug: R20.6 billion - Sept: R20.7 billion - Oct: R20.7 billion - Nov: R20.7 billion - Dec: R20.7 billion - Jan: R20.7 billion - Feb: R17.9 billion - March: R14.3 billion	Transfer R253 billion to SASSA for administration and payment of social grants to beneficiaries on behalf of DSD.	A total of R252.106 billion was made available to SASSA for the payment of social grants between April 2023 to March 2024 with the monthly breakdown as follows: - April: R20.9 billion - May: R21 billion - June: R21 billion - July: R21 billion - Aug: R21.1 billion - Sept: R21.1 billion - Oct: R21.1 billion - Nov: R21.2 billion - Dec: R21.2 billion - Jan: R21.2 billion - Feb: R20.3 billion - March: R20.4 billion	During the 2023 Adjusted Estimates of National Expenditure process, an amount of R1.735 billion has been declared as savings due to significant and unforeseeable economic and financial events.

Linking performance with budgets – Programme 2: Social Assistance

P 2: SOCIAL ASSISTANCE							
Details per Sub-Programme		2023/2024			2022/2023		
		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
2.1	Old Age	98 611 932	98 529 407	82 525	91 387 417	90 675 006	712 411
2.2	War Veterans	393	289	104	965	520	445
2.3	Disability	27 052 268	27 002 296	49 972	25 420 412	25 404 908	15 504
2.4	Foster Care	4 059 134	4 057 095	2 039	4 174 937	4 169 214	5 723
2.5	Care Dependency	4 140 664	4 111 834	28 830	3 877 526	3 772 238	105 288
2.6	Child Support	81 699 134	80 906 758	792 376	77 683 321	76 857 750	825 571
2.7	Grant-In-Aid	2 208 571	2 195 162	13 409	1 900 870	1 778 716	122 154
2.8	Social Relief	34 334 457	33 742 879	591 578	34 687 144	30 379 067	4 308 077
TOTAL		252 106 553	250 545 720	1 560 833	239 132 592	233 037 419	6 095 173

Programme 3: Social Security Policy and Administration

Programme Purpose

To provide for social security policy development, administrative justice, the administration of social grants, and the reduction of incorrect benefit payments.

Social Security Policy Development

During the period under review, the Cabinet considered and approved the publication and call for public comments of the revised Green Paper on Comprehensive Social Security. This is an important step towards developing the White Paper on Comprehensive Social Security, which requires the consideration of public comments. Cabinet also approved the publication of the draft Policy on Voluntary Cover for Retirement and Risk Benefits for Atypical and Informal Sector Workers, which seeks to address the systemic gaps that result in these vulnerable workers being excluded and having poor social security coverage, exacerbating old age income poverty.

The Social Security Review Volume 2 publication was completed and will be launched in the next financial year. Under the theme of “social security in the time of Covid-19”, the publication features insightful peer-reviewed chapters by independent authors that reflect on how the Covid-19 pandemic affected people in different ways and provides insights and recommendations on various social security issues.

The Department issued an audit report on the disability grant medical review processes that covered fraud risks and non-compliance areas found in the social assistance frameworks and systems, such as payment of fraudulent grants and payment of grants at cash pay points. These discoveries, together with the audit recommendations, will assist SASSA to improve its systems and internal controls and ensure that the social assistance objectives are met.

Programme 3: Social Security Policy and Administration

Comprehensive Social Security

Reduced levels of poverty, inequality, vulnerability, and social ills						
Outcome	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/2024	Actual Output 2023/2024	Reasons for Deviation from 2023/2024 Target
An approved Policy on Integrating Children's Grant Beneficiaries with Government Services.	Policy on Integrating Children's Grant Beneficiaries with Government Services approved.	A draft Policy on Integrating Children's Grants Beneficiaries with Government Services developed.	Consultations Report on Draft Policy on Integrating Children's Grants Beneficiaries with Government Services developed.	A draft Policy on Integrating Children's Grant Beneficiaries with Government Services submitted to the SPCHD DG Cluster for consideration.	The draft Policy on Integrating Children's Grant Beneficiaries was submitted and presented to the SPCHD TWG and the SPCHD DG Cluster.	No deviation
Reduced levels of poverty, inequality, vulnerability, and social ills						
An approved Policy on Maternal Support.	Policy on Maternal Support approved.	Policy on Maternal Support completed.	Consultations Report on Draft Policy on draft Policy on Maternal Support for Vulnerable Pregnant Women and Children developed	A draft Policy on Maternal Support submitted to the SPCHD DG Cluster for consideration.	A draft Policy on Maternal Support submitted and presented to the SPCHD TWG and the SPCHD DG Cluster.	No deviation
An approved Policy on Income Support for 18 to 59-year-olds.	Policy on Income Support for 18 to 59-year-olds approved.	Consultation Report on Income Support to 18 to 59-year-olds compiled.	Consultations Report on Draft Policy on Income Support for 18 to 59-year-olds developed.	A draft Policy on Income Support for 18 to 59-year-olds submitted to the SPCHD DG Cluster for consideration.	The draft policy on Income Support for 18 to 59-year-olds submitted to the SPCHD DG Cluster for consideration.	No deviation.
Functional, efficient and integrated sector						
Produced Audit Report of the Social Assistance Frameworks and Systems.	Audit Report on the Social Assistance Frameworks and Systems produced.	The Audit Report on PHASE 2 of Social Assistance Grants Payment Model completed.	An Audit Report on Disability Grant Medical Review processed.	Produce an Audit Report on Disability Grant Medical Review Processes.	An Audit Report on Disability Grant Medical Review Processes was produced.	No deviation.

Comprehensive Social Security (continued ...)

Reduced levels of poverty, inequality, vulnerability, and social ills						
Outcome	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/2024	Actual Output 2023/2024	Reasons for Deviation from 2023/2024 Target
Output	Policy on Voluntary Cover for Retirement and Risk Benefits for Atypical and Informal Sector Workers approved.	Consultation report on draft policy on voluntary cover for retirement and risk benefits for atypical and informal sector workers finalised. Draft policy paper was updated.	The draft Policy on voluntary cover for retirement and risk benefits for atypical and informal sector workers submitted and presented to SPCHD DG Cluster.	Submit the Policy on Voluntary Cover for Retirement and Risk Benefits for Atypical and Informal Sector Workers to Cabinet for approval.	Policy on Voluntary Cover for Retirement and Risk Benefits for Atypical and Informal Sector Workers was submitted to Cabinet for approval. Cabinet approved the publication and call for public comments on the draft policy.	No deviation
Outcome	Functional, efficient and integrated sector					
Published Social Security Review	Social Security Review published	The Department finalised the work on the third edition which focuses on social expenditure in South Africa. The tables and model were updated with recent data from various sources.	The Social Security Review Volume 2 draft produced.	Social Security Review Volume 2 published.	Social Security Review Volume 2 published.	No deviation
Outcome	Functional, efficient and integrated sector					
An approved Comprehensive Social Security Bill	Social security Bill approved	Engagements with the NEDLAC social partners were finalised. The Green Paper was gazetted for public comments. However, consultation report was not completed due to the withdrawal of the Green Paper. Refinements to the Green Paper commenced and a Cabinet memo prepared.	The draft white paper not developed. However, refinements to the Green Paper completed with the assistance of the appointed Technical Expert Panel. Engagements with National Treasury and the Department of Employment and Labour commenced.	Develop draft White Paper on Comprehensive Social Security.	The target was not achieved. Cabinet considered and approved the publication and call for public comments on the revised Green Paper on Comprehensive Social Security. This is an important step towards the development of the draft White Paper on Comprehensive Social Security.	The development on the White Paper depends on the consideration of public comments on the Green Paper. Cabinet approval was required to publish and call for comments. Delays were encountered which affected the processing of the Cabinet memo.
Strategies to overcome under performance						
The Department will expedite the development of the draft White Paper on Comprehensive Social Security following the publication and consideration of public comments on the Green Paper on Comprehensive Social Security as approved by Cabinet. Cabinet's approval to publish and call for public comments is an important step towards the development of the White Paper on Comprehensive Social Security.						

Linking performance with budgets – Programme 3: Social Security Policy and Administration

P 3: SOCIAL SECURITY POLICY AND ADMINISTRATION

Details per Sub-Programme		2023/2024			2022/2023		
		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
3.1	Social Security Policy Development	45 790	35 208	10 582	54 777	45 183	9 594
3.2	Appeals Adjudication	32 716	27 258	5 458	31 487	25 798	5 689
3.3	Social Grants Administration	7 497 975	7 497 975	–	7 343 571	7 343 571	–
3.4	Social Grants Fraud Investigation	72 286	72 287	(1)	72 008	72 008	–
3.5	Programme Management	5 637	3 482	2 155	4 146	2 967	1 179
TOTAL		7 654 404	7 636 210	18 194	7 505 989	7 489 527	16 462



Programme 4: Welfare Services Policy Development and Implementation Support

Programme Purpose

To create an enabling environment for the delivery of equitable developmental welfare services, through the formulation of policies, norms and standards and best practices, and support implementing agencies.

Children's Legislation

The NDP Vision 2030 identified the need to build the capacity of the sector's workforce to implement the Children's Act, which was therefore one of the key priority areas of the MTSF 2019–2024, with a target of 80% of the baseline (7 395) of the sector workforce. The target was far exceeded. This year, the Department capacitated 4 695 (63%) social services professionals in all provinces against a target of 2 220 (30%).

The Children's Act covers prevention and early intervention, child protection, adoption, parental responsibilities and rights, childcare facilities and alternative care. It is supported by various guidelines, programmes, services, norms and standards and practice guidelines. The training is offered by a myriad of specialists from different fields and focal areas. The capacity-building covered, among others, the web-based National Child Protection Register, the Alternative Care Development Assessment Tool and Guidelines for Independent Living, Adoption and International Social Services Quality Assurance Framework, the National Child Care and Protection Policy, amendments to the Children's Act and the Information Guide on the Management of Statutory Services.

An important component of the child protection system is the workforce, which implements the relevant legislation, policies and programmes or services. Childcare and protection services (as defined by the Children's Act) constitute a large portion of the workload of social workers employed by government (DSD) and non-government organisations (NGOs). It is one of the highly specialised areas of intervention that requires a highly skilled and qualified workforce.

Families

The family is a primary institution for socialising its members and instilling values and norms. As an individual's physical, emotional and psychological development occurs within the family environment, the absence of a stable, nurturing family environment has a profoundly damaging impact on

the individual, often leading to behaviour that is profoundly damaging to society. Healthy families are at the heart of strong communities and societies. However, the conditions within some communities, coupled with extreme poverty, lack of family support networks, inadequate resources and services, affect families severely. These factors need to be understood by all stakeholders concerned with the welfare of the family.

In November 2023, Cabinet approved the revised White Paper on Families, which seeks to provide guidelines and strategies for achieving the twin goals of strengthening families in South Africa and realising their well-being, and strengthening communities to be support networks for families. It arose out of the need to prevent the disintegration of families and seeks to change the unfavourable conditions affecting families and communities.

The White Paper on Families also has the potential to improve and strengthen the partnership with NPOs, which are an important extension arm of government welfare service delivery. Therefore, the Department plans to capacitate various stakeholders on this critical policy in the next financial year (2024/25), targeting implementers at district level.

Teen Parenting Programme

During the period under review, the Department developed the Teen Parenting Programme, which explores challenges, support systems and the type of support that social workers can render to enable teenagers to be effective parents. This is one of the critical programmes aimed at empowering teenagers. Training on the Teen Parenting Programme was provided to social service professionals in 17 districts in KwaZulu-Natal (Metro South, Metro North, Ilembe, Umgungundlovu, Ulundi, King Cetshwayo, Umkhanyakude, Thugela, Umzinyathi, Majuba), the Eastern Cape (Sarah Baardman, Nelson Mandela, Alfred Nzo, OR Tambo) and the Free State (Lejweleputswa, Mangaung, Thabo Mofutsanyane).



Sinovuyo Teen Parent Programme

The Department trained social service professionals on the Sinovuyo Teen Parent Programme in five provinces: Eastern Cape, Free State, Gauteng, Mpumalanga and Northern Cape. Through the partnership with UNICEF and CSOs, a total of 10 230 parents/caregivers and teenagers were reached. The Sinovuyo Teens Parenting Programme seeks to improve caregiver–teen relationships and communications, and its aims include:

- To increase parenting skills and confidence.
- To improve positive parenting skills.
- To help teenagers to manage their behaviour.
- To improve mental health and social support.
- To improve problem solving skills.
- To help families respond better to crisis situations.
- To improve knowledge of existing services available for, among others, violence and illnesses.
- To practice positive discipline.

Mencare+ Programme.

The Department facilitated training for social service practitioners on the Mencare+ Programme, which is aimed at encouraging and equipping fathers to be involved in family life and the upbringing of their children. The programme is implemented in partnership with UNICEF and CSOs.

Reunification services

The Department trained social service practitioners in 17 districts. Reunification services involve strengthening families to be able to care for and protect their family members through

implementing a reunification care plan and permanency plan. These services seek to restore the well-being of families, enable them to regain self-reliance and optimal social functioning, and facilitate the reintegration of people into family and community life after separation.

International Day of the Family

The Department commemorated the International Day of Families with communities in the Northern Cape. On 20 September 1993, the United Nations General Assembly proclaimed the International Day for Families (resolution 47/237) to be on 15 May of each year. This was in response to changing social and economic structures, which have affected and still affect the structure and stability of family units in many regions of the world. The Day's purpose is to raise awareness among various stakeholders about the plight of families in South Africa and to take stock of the achievements made in addressing some of these challenges.

National Marriage Week

National Marriage Week is aimed at supporting and encouraging married couples and those preparing for marriage to engage in discussions, to educate and empower them with knowledge and skills to enhance their marriages. This year, the Department reached 130 people (60 couples and 10 officials) at its National Marriage Week event, which was celebrated in partnership with the Limpopo Province.

International Men's Day

The Department hosted an International Men's Day event for 217 male officials, with the purpose of celebrating their contribution for society. International Men's Day is also aimed at improving gender relations, promoting unity and encouraging men and boys to take care of their mental and physical health.

HIV and AIDS

This year, all provinces were capacitated on the different social and behaviour change (SBC) programmes, including the Families Matter Programme (FMP), You Only Leave Once (YOLO), ChommY, Rock Leadership, Men and Boys Championing Change as well as Facilitation Skills. The aim was to ensure that social services professionals and NPOs received the necessary skills and knowledge for implementing the SBC programmes to the different target groups in their communities with a view to preventing new HIV infections. The Department also conducted workshops to capacitate female traditional leaders and spouses of traditional leaders in five provinces (KwaZulu-Natal, Limpopo, North West, Mpumalanga and Western Cape). In three provinces (KwaZulu-Natal, Limpopo and North West), community care centres were capacitated to incorporate the FMP into their programmes. The Department also entered into a memorandum of understanding with the National Association of People Living with HIV and AIDS and Positive Women Network to ensure that they incorporate the Department's HIV&AIDS programmes in their work.

The Department continued to train social service practitioners in the Guidelines for Social Service Practitioners: Enabling access to HIV services. A total of 322 social service practitioners were trained in 10 districts across seven provinces: the Eastern Cape (Sara Baartman, Joe Gqabi), KwaZulu-Natal (Harry Gwala, Umgungudlovu, iLembe), the Free State (Fezile Dabi), Gauteng (West Rand), Mpumalanga (Gert Sibande), North West (Ngaka-Modiri Malema) and Western Cape (Eden Karoo). The implementation of the guidelines will strengthen referrals for HIV testing for those at high risk, linkages to treatment and provision of psychosocial support for disclosure and treatment adherence support.

The Deputy Minister of Social Development officially opened two multimedia centres, which were donated by the MTN

Foundation, that will be used to assist children with their schoolwork and youth with job searches and applications:

- In June 2023, at the Charlestown Community Care Centre in KwaZulu-Natal.
- In November 2023, at Groot Marico CCC, North West, in November 2023.

The Deputy Minister also inaugurated three community care centres in Limpopo: at Taueatsoala (September 2023), Mamvuka (November 2023) and Elandsdoorn (February 2024).

Through its partnership with USAID/PEPFAR, the Department continued to provide a core package of services to orphans, vulnerable children and youth (OV CY) in Government2Government (G2G) districts. The services support the holistic development of the child and include psychological support, educational support, health promotion, HIV and AIDS services and support, childcare and protection, economic strengthening, and food and nutrition promotion.

This year, a total of 99 359 beneficiaries were reached:

- YOLO: 52 784 adolescents aged 15–17.
- ChommY: 42 741 young adolescents aged 10–14.
- DREAMS Family Strengthening: 3 834 adolescent girls and their parents/caregivers (through the Let's Talk intervention).

Since the start of this financial year, the G2G project has been fully operational in Gauteng and KwaZulu-Natal and is delivered through contracted organisations in the three districts of eThekwin, Ekurhuleni and the City of Johannesburg. The following overall results were achieved:

- 91% (17 569) for known HIV status under the comprehensive stream (case management), with Gauteng at 99.6% (15 342) and KZN at 57% (2227).
- Out of the 36 757 beneficiaries served by the contracted NPOs, 32 151 know their HIV status.
- The 1 771 beneficiaries with HIV-positive status are all on ART and receiving ART adherence support, which includes participation in support groups, adherence clubs, adherence counselling and clinic support visits (medication pick up / routine blood results interpretation).

This year, the Department also launched the ChommY programme in the Free State and North West, with the launch providing political and community buy-in for the successful implementation of the programme.

Children's Services

Adoptions and international social services

This year, 151 participants attended the Department's capacity-building workshops on the Practice Guidelines for National and Inter-country Adoption in six provinces: Eastern Cape Northern Cape, Limpopo, KwaZulu-Natal, North West, Mpumalanga.

The Department facilitated the National DSD Adoption Forum, which is a platform for DSD social workers to engage on adoption-related matters and receive technical support. Members learned from discussions about challenging cases, and provinces were motivated to improve their adoption services. In some provinces, the number of adoptable children increased, as a result of stronger assessment of children placed in child and youth care centres, and the number of adoptive parents increased following the promotion of adoption services.

A total of 906 cases (773 national and 133 intercountry) were registered on the Adoption Register. There was some improvement in the files submitted for registering adoptions, due to continuous engagement with courts – 301 Children's Courts were involved in correcting faults on documents received for registering cases on the Adoption Register. This year, 299 adoptable children and 39 prospective adoptive parents registered on the Register on Adoptable Children and Prospective Adoptive Parents (RACAP) for matching purposes. The Department conducted training on the RACAP for 178 social workers from Eastern Cape, Limpopo, KwaZulu-Natal, Gauteng, Mpumalanga and Free State, as well as child protection organisations (CPOs) and social workers in private practice accredited to render adoption services.

The Department conducted monitoring of accredited CPOs through on-site visits in partnership with the Limpopo and Gauteng provinces. The monitoring report was presented to Welfare Services Forum, and the inputs received were consolidated into the feedback reports to the CPOs. Monitoring of social workers in private practice to ensure compliance with legislation was conducted in various provinces, as a joint venture between the national and the provincial DSD.

In February 2024, the South African Council for Social Service Professions (SACSSP) renewed the registration of 412 DSD adoption social workers, enabling them to provide adoption services during 2024/25 financial year.

Based on quarterly reports submitted by provinces, the Department presented a consolidated report on the monitoring of the provision of adoption services by DSD adoption social workers at the National DSD Adoption Forum (22 February 2024) and at the Welfare Services Forum (15 March 2024).

The Department undertook the following activities to promote adoption services:

- In May 2023, gave a presentation promoting adoption services at the Africa Month event organised by Department of Justice.
- In May 2023, participated in the exhibition at the launch of the Child Protection Week event held in Hout Bay and the closing event in Mpumalanga, to promote adoption services and respond to enquiries from the community.
- In August 2023, participated in the exhibition during the traditional leaders' outreach programme at Moroke village, Magadimana- Ntweng, in Sekhukhune District, Limpopo province.
- Responded to a media enquiry from *TimesLive* journalist about searching for children's biological fathers before they are given up for adoption.
- In November 2023, participated in various radio talks/ interviews to promote adoption services and to commemorate the World Adoption Day.
- Arranged for the Department's Communication Unit to have an interview for DSD TV with the adoptive family to talk about their adoption journey/ experience including services they received from the Department.
- In February 2024, gave a presentation on the promotion of adoption services to the DSD National Adoption Forum and (in March 2024) to the Welfare Services Forum.

The Department continued to coordinate cross-border activities related to unaccompanied and separated migrant children (USMC). The following cross-border meetings were held between South Africa and other countries:

- In June 2023, South Africa and Lesotho (Lesotho – national DSD officials attended virtually due to budget constraints).
- In October 2023, South Africa and Lesotho (Bloemfontein).
- In September 2023, South Africa and Zimbabwe (Limpopo).
- In February 2024, South Africa and Lesotho (Lesotho)
- In March 2024, South Africa and Zimbabwe (Zimbabwe)

The cross-border coordination forums provide a platform for governments and NGOs working with USMC from different countries to deliberate on child protection issues affecting children in migration across the borders. The aim is to ensure effective and coordinated case management and child protection systems between the countries, to discuss cross-border management issues and to resolve cases efficiently.

The Department conducted capacity-building workshops for social workers on the International Social Services (ISS) Guidelines and Standard Operating Procedures for USMC in Free State, Mpumalanga (September 2023) and Northern Cape (October 2023).

This year, 35 children were repatriated safely to the following countries: Zimbabwe, Mozambique, Lesotho, Angola, Botswana, Kingdom of Eswatini.

In March 2023, two South African nationals were repatriated from Senegal and Malawi:

- A South African child whose mother is detained in Senegal was repatriated to South Africa. The child will be placed in the care of his maternal family in the Eastern Cape, and the province will render foster care supervision services to the family.
- An older person female who was in distress in Malawi was repatriated and placed in an old age home in the North West. She left the country to get married to her husband in Malawi at her early age and decided to return to South Africa after her husband passed on and her family-in-law could no longer take care of her.

Adults and children who find themselves in distress in South Africa have the opportunity to be repatriated to their countries of origin and be reunified with their families. There was a total of 90 new ISS cases this year.

Orphans and vulnerable children

The Department monitored the implementation of community-based prevention and early intervention services to vulnerable children (the RISIHA Programme) through quarterly sessions with provinces. The Department visited 12 districts in four provinces to assess progress. During the quarterly meetings, national and provincial officials conducted benchmarking visits to assess progress made by the implementing partner (NPO) in providing community-based

prevention and early intervention services to vulnerable children, and to determine best practices that could be shared with other implementing organisations in other provinces, as well as the impact of the programme on beneficiaries. Following the benchmarking exercise, the Minister recommended that experiential learning be encouraged across provinces. Visits were made to Kamvalethu Drop-in Centre, Gqeberha, Eastern Cape (June 2023) and Phaphamani Home Based Care and Mbombela, Mpumalanga (September 2023).

Child protection

The Department monitored the implementation of the foster care Programme of Action in all provinces through analysing provincial quarterly reports and presentations made at Welfare Services Forum and the Child Protection Committee. The programme's intent is put in place sustainable mechanisms, structures and resources to ensure effective management of foster care programme in provinces. Provinces are at various levels of achieving the programme's outcomes. Most provinces have strengthened intersectoral collaboration, in particular with the judiciary and SASSA as the key stakeholders in the foster care value chain.

The Department also monitored the implementation of the Intersectoral Protocol on the Prevention and Management of Violence against Children, Child Abuse, Neglect and Exploitation in all provinces through analysing provincial quarterly reports and presentations made at the Welfare Services Forum. Provinces are making progress in implementing the protocol's pillars (prevention and protection, response and support services, and care and support) and are reaching out to professionals, parents/caregivers and children through education and awareness programmes, as part of prevention and early intervention programmes. Provinces are also strongly implementing the 365 Days Programme of Action of "No violence, child abuse, neglect and exploitation", to intensify awareness-raising that communities need to care and protect children. Reporting in terms of Child Protection Register has improved for the submissions of Form 22, but there is room for improvement for the submissions of Form 23, which demonstrates interventions rendered. Provinces also need to improve their reunification services, specifically ensuring that children in alternative care are reunified with their families and support is provided to families.

Professional Social Services and Older Persons

The Department continued to facilitate the transformation of the regulatory framework for the social service professions. The Department engaged with the Office of the Chief State Law Advisor (OCSLA), which finally issued a pre-certification confirming that the Social Service Practitioners Draft Bill (2021) is consistent with the Constitution and drafted in accordance with the standard legislative drafting practices. The Draft Bill is ready for consideration by Nedlac in the 2024/25 financial year.

The Department also developed the monitoring and evaluation framework for the Social Service Professions Act, 1978 (Act No. 110 of 1978), as a mechanism to improve the management and reporting on the Act's implementation. Consultations were held with the South African Council for Social Service Professions (SACSSP) to get their buy-in and support of the framework, which is central to the institution's capacity to regulate social service professions. The Heads of Social Development Forum approved the Monitoring and Evaluation Framework at the end of the year. To address the fragmentation and misalignment of various regulations developed in terms of the Act; the Department consolidated the various formats and versions into a single document. This will ensure that the Social Service Professions Regulations are compliant with the legislation being drafted. During the 2024/25 financial year, the Department will publish the consolidated regulations in the government gazette to raise awareness about this single point of reference.

This year, the Department sought to strengthen the functioning of the SACSSP's governance structures, giving effect to sections 14A and 28(1)(gD) of the Act, by developing regulations covering the establishment, composition, functions and functioning of a Professional Board for Community Development Practice. The regulations were approved for implementation in the 2024/25 financial year. The SACSSP recruited and appointed a registrar in terms of sections 3(4) and 11(3) of the Act. The SACSSP is mandated to institute disciplinary proceedings against any social service professional reported for unprofessional and unethical behaviour. In terms of the Act, any professional who is not satisfied about the SACSSP's disciplinary decisions has a right to appeal. The SACSSP Appeal Committee, established in terms of Section 25(2) with members appointed for a period of two years, considers appeals against disciplinary decisions. The Committee heard three appeal cases and communicated the appeal decisions to the registrar.

The Department rolled out a capacity-building programme on the Social Service Professions Act and related regulations for social work and child and youth care practitioners employed by provincial departments of social development. The objective was to empower practitioners with knowledge of the Act and promote compliance with requirements and conditions for registration and standards for professional conduct, thereby ensuring provinces deliver ethical and professional services. A total of 480 social work practitioners and 385 child and youth care practitioners attended the capacity-building. The Department introduced social work practice seminars in various provinces, as a mechanism to promote debates and discussions on social work practices, policy and training, and commemorated World Social Workday 2024 with a provincial seminar in the Eastern Cape attended by 120 participants.

Following advertisement for comments by the Portfolio Committee, various stakeholders submitted written submissions on the Older Persons Amendment Bill. In February and March 2024, presentations were made to the Portfolio Committee on Social Development in response to the issues raised during public hearings concerning their mandate by the South African Local Government Association (SALGA), SAPS, and the departments of human settlements, justice and constitutional development, health and higher education and training.

In March 2024, the Department responded to the issues raised during the public hearings in all provinces and in the written comments submitted by key stakeholders. After deliberating on the Bill, considering it clause by clause, the Portfolio Committee on Social Development approved the Bill. The Amendment Bill will be handed over to the National Council of Provinces for further processing to ensure that the rights, dignity, integrity, safety and security of older persons are respected and upheld at all times.

The Department conducted trainings to identify facilitators from accredited service providers in all provinces, with the aim of developing a database of accredited and trained services providers. Provinces will be able to use this national database when rolling out the training of caregivers. A total number of 28 service providers with 87 facilitators were covered.

The other important training was capacitating social workers, traditional healers and leaders, SAPS members and health officials (among others) to identify and manage dementia and Alzheimer's. The aim was to equip service providers to respond appropriately to the growing number of older persons suffering from Alzheimer's and the impact on their families. Unfortunately, older persons with signs of Alzheimer's are sometimes accused of witchcraft and killed. During the year, a total of 152 participants were trained in Mpumalanga (43), Gauteng (68) and North West (41).

The Department implemented Chapter 3 of the Older Persons Act, 2006 (Act No. 13 of 2006) in the local, district, provincial and national spheres of government. On 21–22 March 2024, the National Active Ageing Programme, which is one of the Ministerial events, was implemented in Mpumalanga. Seven provinces participated in the two-day programme hosted by Mbombela Municipality in partnership with SAPS and the departments of sports, arts and culture, health and social development. The programme included provincial older persons dialogues, older persons musical items and recommendations for national issues affecting older persons. Running in parallel to the indoor activities was the Golden Games Programme, which involved about 1 758 participants, of which 607 were officials and volunteers.

Furthermore, the Department trained 83 social service practitioners on Older Person Abuse Register in Mpumalanga (November 2023) and Western Cape (February 2024). In May 2023, the Department commemorated World Elder Abuse Awareness Day in Kwa-Langa, honouring the contributions made by the Langa community over the past 100 years. This was followed in December 2023 by the Ministerial celebration of the life of Koko Mogoshadi, who passed at the age of 114 years old in Limpopo – may the soul of this centenarian rest in eternal peace.

Social Crime Prevention and Anti-Substance Abuse

Social crime prevention

The Department conducted education and awareness campaigns for children and youth at 54 campuses (institutions of higher learning and colleges) across the country. The campaigns focused on empowering children and youth with

a comprehensive knowledge of crime prevention-related matters, including measures to take to prevent being either victims or perpetrators of crime and violence, promoting an increased and equitable access of services, blowing the whistle and alerting them to the social ills that are opportunistic and contribute to the committal of criminal and violent activities. The provision of these services, especially to the vulnerable children and youth in institutions of higher learning and colleges, responds to the priorities of government related to social cohesion and safe communities and economic transformation and job creation.

The provinces have identified nine high-risk districts. The Department coordinated meetings with provinces and districts to work together on implementing the DSD Anti-Gangsterism Strategy. A consolidated report on the educational sessions on the strategy for all nine high risk districts was drafted

Anti-substance abuse

The Department monitored the implementation of the universal treatment curriculum (UTC) in 12 treatment centres. The implementation of the UTC treatment modalities contributes to the Department's vision and mission through providing comprehensive standardised and evidence-based treatment, care and support for substance abuse disorders. The measured outcomes are the provision of continuum services from screening to brief intervention, referral, treatment, care, support, rehabilitation, reintegration and aftercare services. Furthermore, the implementation of UTC contributes to the MTSF Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services, by focusing on scaling up treatment and rehabilitation strategies to increase the number of people accessing treatment programmes.

Cabinet approved the draft Prevention of and Treatment for Substance Use Disorders Policy for gazetting for public comments. The public comments were integrated to the draft policy, which was approved by the SPCHD and JCPS clusters. The policy addresses the impact of alcohol and substance abuse on families, communities and society, as part of the process to review the Prevention of and Treatment for Substance Abuse Act, 2008 (Act No. 70 of 2008). The Act focuses on scaling up prevention, treatment, and rehabilitation strategies to address the scourge of alcohol and drug abuse in the country.

Victim Empowerment Programme and Prevention of GBV

In line with its mandate to provide psychosocial support services and with Pillar 4 (Response, Healing Care and Support) of the National Strategic Plan on Gender Based Violence and Femicide, the Department conducted capacity-building sessions for frontline workers from different stakeholders including government departments and CSOs in 15 hotspot districts in all provinces. The training, on the Policy on Psychosocial Support Services to victims of violence and crime, is essential for equipping frontline workers, so as to eliminate secondary abuse to victims of GBV. In addition, frontline workers received training on the Intersectoral Sheltering Service Policy, which is aimed at enabling the provision of a comprehensive spectrum of services to all those seeking shelter from crime and violence.

In line with the Minister's priorities, the Department facilitated the establishment and operationalisation of shelters for victims of violence and crime in different provinces:

- The North West Province (Ngaka Modiri Molema District) has converted the Mafikeng Crisis Centre into a shelter with a bed capacity of 15 and partnered with an NPO (Life Line Mafikeng) to provide the service. An amount of R2 076 280.00 was allocated to the organisation for provision of care and support services at the shelter. Costs for security, personnel and major maintenance are paid for by the DSD.
- Limpopo Province has identified potential buildings for use as shelters have also been identified in Mookgopong (two houses) (Waterberg District), Groblersdal (two houses) (Sekhukhune District), Phiphidi (Vhembe District) and Phalaborwa (Vhembe District).
- In KwaZulu-Natal, the King Cetshwayo District has partnered with Siyabonga, which has been operational since November 2023, thus closing the gap of non-availability of shelters in the district. The Province has also identified the Ocean View Place of Safety as suitable for the establishment of a Khuseleka One Stop Centre.

In the build-up to the 16 Days Campaign for No Violence against Women and Children, the Department embarked on several activities, including a 2.5-kilometer outdoor walk against homophobia, biphobia and transphobia with the Minister and CSOs at the Botanical Gardens in Pretoria. The aim was to remember the LGBTQIA+ community members who were brutally murdered because of their sexuality.

Under the leadership of the Minister, who is a champion of SheDecides, the Department relaunched the SheDecides Movement in South Africa in collaboration with Kgosi Gaboilelwe Moroka of Barolong Boo Seleka Traditional Council in Thaba 'Nchu, Free State. SheDecides is a global movement to promote, provide, protect and enhance the fundamental rights of girls and women to bodily autonomy and to make decisions about their bodies, lives, health and futures. The movement advocates for investing in comprehensive sexuality education to reduce unintended pregnancies, including teenage pregnancy. The national roll-out of the movement aims to complement other initiatives such as ChommY and YOLO, with a focus on teenage pregnancy hotspot areas across the country. The Department also conducted a dialogue with men, as part of the prevention and social behavioural programme. Participants included GBVF and anti-substance abuse ambassadors who assist with strengthening prevention programmes in the community of Thaba 'Nchu, as well as members of the local Tribal Council.

The Minister also participated in the two-day National Shelter Indaba that was held with one of the funded national bodies (NPO), National Shelter Movement South Africa. The purpose was to dialogue and discuss sheltering services in relation to the National Strategic Plan on Gender Based Violence and Femicide

Office on the Rights of the Child

Child rights advocacy

This year, the Department upscaled its programmes on child rights through the implementation of the Child Rights Advocacy Strategy. Activities included:

- The commemoration of important days that highlight the plight of children – on 1 June the Department observed International Children's Day in the Northern Cape. The commemoration was preceded by separate dialogues for children and for adults, to discuss issues affecting the rights of children. After these dialogues, an intergenerational dialogue took place on the actual commemoration day.
- The Department organised a "Take a Child to work" to advocate for the need to provide for career counselling to children and expose them to the world of work so they may have vision and dream of possible future.
- The Department participated in various radio and TV programmes to raise awareness on issues affecting children, especially the dangers and infringements of early and forced child marriages. During the month of August there were over 15 interviews on child marriages, which coincided with the drafting of legislation on marriages that is led by Department of Home Affairs, and with the visit of the African Union's Special Rapporteur Against Violence on Women and Children.
- The Nelson Mandela Children's Parliament was held in the Eastern Cape and was attended by representation of children from all provinces. The Children's Parliament resulted in the appointment of child ambassadors who continues to lead child participation programmes.

Institutional arrangements for child rights

The Department embarked on the process of migrating the Office on the Rights of the Child (ORC) to the Presidency. A business case was developed and meetings were held with the Presidency, DPSA and the Department for Women, Youth & Persons with Disabilities. However, the process was halted in the interest of an envisaged broader organisation of the state. Nevertheless, the Department continued to lead multi-sectoral structures on child rights, including the National Steering Committee, the ORC and the Intersectoral Committee on the Rights of the Child. These committees met quarterly to discuss issues around the rights of children within their constituencies. These structures are also used to consult policies and reports on child rights matters, including providing feedback on progress made on action plans.

Monitoring, evaluation and reporting of child rights

The Department conducted a situational analysis on the status of children in the country and incorporated this important research in its Annual Report on the Implementation of the National Plan of Action for Children (2019–2024). The report highlights achievements and gaps/challenges, including areas of slow progress. After consultations across child representative platforms, government departments, civil society and academia, the report was submitted to Cabinet for adoption.

This year, the Department led South Africa's delegation to report on progress made by the country on child rights obligations at:

- The African Committee of Experts on the Rights & Welfare of the Child held in the Kingdom of Lesotho in May 2023
- The United Nations Committee on the Rights of the Child held in January 2024 in Switzerland.

Following these presentations, the committees issued South Africa with their concluded observations and recommendations, which will be used in consultations and incorporated into the National Plan of Action for Children 2024–2029.

Services to Persons with Disabilities

Respite care services to families and children with disabilities

Respite care services for children with disabilities and their families are the focus of a partnership project aimed at creating an inclusive community-based model and identifying potential NPOs that can provide the services. This year, sessions were held in Mpumalanga and the Northern Cape provinces to prepare stakeholders for the implementation of these services. NPOs identified to provide respite care services were Strong Women Organisation and Oasis Skills Development Centre in the Northern Cape, and Siviwe and Sizakele Stimulation Centres in Mpumalanga. Two respite care models – home-based and centre-based care – were chosen for the study sites based on project activities and consultations. Home-based care involves providing quality services in the child's home, while centre-based care involves taking children to day-care or stimulation centers for social interaction and structured activities.

The Department trained 40 social workers and 33 potential caregivers in respite care services. Social workers (from district/provincial DSD and NPOs) were capacitated and empowered on disability legislation and policies, and on methodologies and approaches for delivering respite care services.

Parents and NPOs with the ability to be caregivers and service providers were trained and empowered in the respite care services and their roles in delivering these services. In October 2023, nine potential supervisors and 19 potential caregivers (selected from previous capacity-building workshops) participated in practical training sessions on home-based respite care services. The Department welcomed two respite care advisors, who were sent by JICA to support the programme in implementing the second phase of expanding respite care services to families of children with disabilities.

Community-based system to support independent living for persons with disabilities

The Department is currently conducting a study to determine the support services available at community level for individuals with disabilities, as part of the development of a sustainable community-based system for personal assistance. This research will guide the Department in establishing partnerships to extend support to, help roll out, or develop new services where none are available for individuals with disabilities.

Prior to developing and implementing the community-based system for personal assistance, research must be conducted to map the existing social services that support independent living within the community for individuals with disabilities, to determine if they meet the necessary criteria for the planned system. The terms of reference were approved, but procurement took longer than expected, as the project had to be advertised three times before receiving seven proposals from potential service providers.

Draft Policy on Social Development Services to Persons with Disabilities

The draft policy was updated to incorporate input from 27 provincial public hearings and one national public hearing held in November, as well as the gazetting process from November to December 2023. This wide consultation will ensure stakeholder buy-in during the implementation of the policy once approved by Cabinet. The updated draft policy was presented to the Presidential Working Group on Disability, which comprises high-level representation of disability experts, in preparation for tabling at Cabinet for final approval. The finalisation of this policy will ensure that the Department focuses on the social development directives contained in the overarching White Paper on the Rights of Persons with Disabilities.

This policy advocates for mainstreaming and including persons with disabilities in implementing social development policies, strategies, programmes and projects that address systemic poverty and inequality among the poor, marginalised and vulnerable groups in society.

Ministerial projects for enhancing services to persons with disabilities

The Department participated in projects supported by the Deputy Minister to improve service provision for persons with disabilities, including:

- Conducting awareness programmes on Foetal Alcohol Syndrome for pregnant women and women.
- Raising awareness on identifying and service provision for children with dyslexia and autism.
- Including parents of children with disabilities in municipal services and tribal authorities through the respite care programme.
- Developing, launching, and handing over accessible computer multimedia centers.



Programme 4: Welfare Services Policy Development and Implementation Support

Children's Legislation and Families

Outcome	Empowered, resilient individuals, families and sustainable communities					
	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/2024	Actual Outputs 2023/2024	Reasons for Deviation from 2023/2024 Target
Sector workforce capacitated on the Children's Act.	% of the sector workforce capacitated on the Children's Act.	New indicator	Capacitated 40% (2 962 of 7 395) of the sector workforce on the Children's Act.	Capacitate 30% of the sector workforce on the Children's Act.	Capacitated 63% (4 687 of 7 395) of the sector workforce on the Children's Act.	Overachievement due to the increased need for capacity building.
Districts capacitated on the Teenage Parent Programme.	Number of districts capacitated on the Teenage Parent Programme.	Capacity building was conducted on the Sinovuyo Teen Parent Digital Programme for implementation by provinces.	The annual monitoring report on the Sinovuyo Teen Parent Digital Programme consolidated.	Capacitate fourteen (14) districts on Teenage Parent Programme	Capacitated seventeen (17) districts on Teenage Parent Programme.	The target was exceeded due to high demand for capacity building.
An approved Revised White Paper on Families.	Revised White Paper on Families approved.	The Department consulted on the Revised White Paper.	The Revised White Paper on Families presented to Technical Working Group for FOSAD.	Submit the Revised White Paper on Families to Cabinet for approval.	The Revised White Paper on Families was submitted and approved by Cabinet.	No deviation

HIV and AIDS

Empowered, resilient individuals, families and sustainable communities							
Outcome	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/2024	Actual Outputs 2023/2024	Reasons for Deviation from 2023/2024 Target	
Outcomes							
Districts capacitated on Guidelines for Social Service Practitioners: Enabling Access to HIV Services.	Number of districts capacitated on Guidelines for Social Service Practitioners: Enabling Access to HIV Services.	Capacitated three hundred and twenty-one (321) SSPs on psychosocial support guidelines.	Capacitated 445 SSPs on HIV Testing Services guidelines.	Capacitate ten (10) districts on Guidelines for Social Service Practitioners: Enabling Access to HIV Services.	Capacitated ten (10) districts on Guidelines for Social Service Practitioners: Enabling Access to HIV Services.	No deviation	
Provinces capacitated on Social and Behaviour Change (SBC) Programmes.	Number of provinces capacitated on Social and Behaviour Change (SBC) Programmes.	Capacitated seven hundred and thirty (730) SSPs on Social and Behaviour Change (SBC) Programmes.	Capacitated 702 SSPs on Social and Behaviour Change (SBC) programmes	Capacitate eight (8) provinces on Social and Behaviour Change (SBC) Programmes.	Capacitated nine (9) provinces on Social and Behaviour Change (SBC) Programmes.	Western Cape province requested training on Chommi Y for the G2G programme.	
OVCY in G2G districts provided with core package of services.	Number OVCY in G2G Districts provided with core package of services	New indicator	Provided 36 870 OVCY in G2G districts with core package of services	Provide seventy thousand (70 000) OVCY in G2G districts with core package of services.	Provided 99 359 OVCY in G2G districts with core package of services.	Project geographic expansion by the funder.	
OVCY (who know their HIV status) in G2G districts provided with core package of services.	% of OVCY (who know their HIV status) in G2G districts provided with core package of services.	New indicator	78% (28 667 of 36 870) OVCY knowing their HIV status received core package of services	Provide core package of services to 70% OVCY (who know their HIV status) in G2G districts.	88% (34 881 of 39 495) OVCY knowing their HIV status received core package of services at G2G contracted organisations.	Project geographic expansion by the funder.	
OVCY (in G2G districts) with HIV positive results supported to adhere to treatment.	% of OVCY (in G2G districts) with HIV positive results supported to adhere to treatment.	New indicator	Supported 97% (240 of 248) of OVCY who know their HIV positive status in G2G district to adhere to treatment.	Support 95% of OVCY (in G2G districts) with HIV positive results to adhere to (ART) treatment.	Supported 100% (1774 of 1774) of OVCY who know their HIV positive status in G2G contracted organisations to adhere to treatment.	Project geographic expansion by the funder.	

Children's Services

Empowered, resilient individuals, families and sustainable communities						
Outcome	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/2024	Actual Outputs 2023/2024	Reasons for Deviation from 2023/2024 Target
Capacitated provinces on the Practice Guidelines for National and Intercountry Adoption.	Number of provinces capacitated on the Practice Guidelines for National and Intercountry Adoption.	Capacitated 287 Social Workers on Adoption Policy Framework and Strategy	Capacitated 398 Social Workers on Adoption Policy Framework and Strategy.	Capacitate six (6) provinces on the Practice Guidelines for National and Intercountry Adoption.	Capacitated six (6) provinces namely EC, KZN, LP, NC, NW and MP on the Practice Guidelines for National and Intercountry Adoption.	No deviation
Implemented Guidelines for Community Based Prevention and Early Intervention Services to vulnerable children.	Implementation of the Guidelines for Community Based Prevention and Early Intervention Services to vulnerable children monitored.	Monitoring tool on the implementation for Guidelines on Community Based Prevention and Early Intervention Services to vulnerable children was piloted in three provinces, namely LP, NW, GP.	Implementation of the Guidelines for Community Based prevention and early intervention services to vulnerable children was monitored in nine (9) provinces.	Monitor the Implementation Guidelines for Community Based Prevention and Early Intervention Services to vulnerable children in nine provinces.	Implementation of the Guidelines for Community Based Prevention and Early Intervention Services to vulnerable children was monitored in nine (9) provinces.	No deviation
Implemented Intersectoral Protocol on the Prevention and Management of Violence against Children, Child Abuse, Neglect and Exploitation.	Implementation of the Intersectoral Protocol on the Prevention and Management of Violence against Children, Child Abuse, Neglect and Exploitation monitored.	Monitoring tool on the implementation of the Intersectoral Protocol on the Management and Prevention of Violence against Children, Child Abuse and Exploitation was piloted in three (3) provinces, namely KZN, EC, GP.	Implementation of the Intersectoral Protocol on Management of Violence Against Children, Child Abuse and exploitation was monitored in all provinces except Mpumalanga.	Monitor the implementation of the Intersectoral Protocol on the Prevention and Management of Violence Against Children, Child Abuse, Neglect and Exploitation in nine (9) provinces.	Implementation of the Intersectoral Protocol on the Prevention and Management of Violence Against Children, Child Abuse and exploitation was monitored in nine (9) provinces.	No deviation
Implemented Programme of Action (PoA) on foster care.	Implementation of the Programme of Action for foster care monitored.	New indicator	Implementation of the Programme of Action on foster care was monitored in nine (9) provinces.	Monitor the implementation of the PoA on foster care in all provinces.	Implementation of the Programme of Action on foster care was monitored in nine (9) provinces.	No deviation

Professional Social Services and Older Persons

Outcome	Empowered, resilient individuals, families and sustainable communities					
Outputs	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/2024	Actual Outputs 2023/2024	Reasons for Deviation from 2023/2024 Target
Monitoring and Evaluation Framework for the Social Service Professions Act, 1978 submitted for approval.	Monitoring and Evaluation Framework for the Social Service Professions Act, 1978 approved.	New indicator	New indicator	Submit the Monitoring and Evaluation Framework for Social Service Professions Act, 1978 to HSDS for approval.	Monitoring and Evaluation Framework for the Social Service Professions Act 1978 was submitted and approved by HSDS.	No deviation
Approved National Strategy on Ageing.	National Strategy on Ageing approved.	New indicator	New indicator	Develop a National Strategy on Ageing.	National Strategy on Ageing was developed through consultations with provincial and national departments.	No deviation

Social Crime Prevention and Anti-Substance Abuse

Outcome	Reduced levels of poverty, inequality, vulnerability and social ills					
Outputs	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/2024	Actual Outputs 2023/2024	Reasons for Deviation from 2023/2024 Target
An implemented DSD Anti-Gangsterism Strategy.	Number of high-risk districts where the DSD Anti-Gangsterism Strategy is implemented.	Implementation of Anti-Gangsterism Strategy was monitored in six (6) provinces, namely, KZN, EC, WC, MP, GP and LP.	DSD Anti-Gangsterism Strategy was implemented through capacitating nine (9) high-risk districts.	Implement the DSD Anti-Gangsterism Strategy in nine (9) high-risk districts with parents and school-going children.	DSD Anti-Gangsterism Strategy was implemented through capacitating nine (9) high-risk districts with parents and school-going children.	No deviation

Social Crime Prevention and Anti-Substance Abuse (*continued ...*)

Reduced levels of poverty, inequality, vulnerability and social ills						
Outcome	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/2024	Actual Outputs 2023/2024	Reasons for Deviation from 2023/2024 Target
Prevention and early intervention measures implemented on campuses to curb social ills amongst children and youth.	Number of campuses where prevention and early intervention measures to curb social ills amongst children and youth are implemented.	A total of thirty-seven (37) campuses were reached through prevention and early intervention measures to curb social ills during the period under review. The following campuses were reached: Sol Plaatje University and NCR TVET College (Upington, Kathu and Kuruman) in Northern Cape. Lehurutse TVET and North West University (Mafikeng campus) in North West; Mpumalanga University (Nelspruit and Siyabuswa Campuses), and Nkangala TVET in Mpumalanga, Lovedale TVET (Alice Campus) and St Marks (East London Campus) in the Eastern Cape, Capricorn TVET (Polokwane, Senwabarwana and Seshego Campuses), Tshwane University of Technology and University of Venda in Limpopo, Tshwane South College, West Col TVET, University of Pretoria, and University of Johannesburg (Auckland, Soweto, Bunting Road, Doornfontein campuses) in Gauteng, University of Free State (Bloemfontein and South Campuses) in the Free State, Elangeni TVET (Inanda and Ntuzuma Campuses), Durban University of Technology (Steve Biko campus), Mangosuthu University of Technology and University of Zululand (Kwadlangezwa and Richards Bay campuses) in KwaZulu-Natal, and Cape Peninsula University of Technology (District Six, Bellville, Mowbray, Wellington, Ganger Bay and Athlone campuses) in Western Cape.	A total of twenty-eight (28) campuses were reached through prevention and early intervention measures to curb social ills (VEP GBV, SCP & Substance Abuse) amongst children and youth during the period under review. The following campuses were reached: Buffalo City TVET College: St Marks East London and JKB Campuses, in the Eastern Cape, University of Free State, TOSA VET College in Free State Province, Tshwane TVET College: Pretoria West Campus, University of Pretoria: (Groenkloof and Prinshof Campuses, Sefako Makgatho Health Sciences University in Gauteng Mangosuthu University of Technology, Durban University of Technology Main Campus, Durban University of Technology (Ritson and Pietermaritzburg Campuses), University of Zululand (Kwa-Dlangezwa and Richards Bay Campuses) in KwaZulu-Natal, Ehlanzeni TVET College (Main campus, Mapulaneng and Mthimba Campuses), Nkangala TVET College (CN Mahlangu, Middleburg, and Waterval Boven Campuses) in Mpumalanga University of Limpopo and University of Venda in Limpopo, Vuselela TVET College in North-West, Northern Cape Urban TVET College and Sol Plaatje University in Northern Cape, Cape Peninsula University of Technology (District Six and Bellville campuses) in Western Cape.	Implement prevention and early intervention measures to curb social ills (VEP, GBV, SCP & Substance Abuse) amongst children and youth in thirty (30) campuses.	Implemented prevention and early intervention measures to curb social ills (VEP, GBV, SCP & Substance Abuse) amongst children and youth through awareness campaigns in fifty-four (54) campuses.	The Department received more requests from institutions of higher learning during the fourth quarter to support university students orientation programmes.

Social Crime Prevention and Anti-Substance Abuse (continued ...)

Reduced levels of poverty, inequality, vulnerability and social ills						
Outcome	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/2024	Actual Outputs 2023/2024	Reasons for Deviation from 2023/2024 Target
Public Treatment Centres capacitated to implement Universal Treatment Curriculum (UTC).	Number of Public Treatment Centres implementing UTC.	Seven (7) Public Treatment Centres, namely, Nkangala, Swartfontein, Northern Cape, JB Marks, Seshogo, FF Ribeiro and Newlands Park were capacitated on the implementation of the UTC.	Seven (7) public treatments Centers, namely, Charlotte Maxeke, Dr Fabian and Florence Ribeiro, Ernest Malgas, Kensington, Madadeni, Khanyani and Taung Treatment Centres were capacitated on the implementation of the UTC.	Monitor the implementation of the UTC in twelve (12) Public Treatment Centres.	Monitored the implementation of the UTC in twelve (12) Public Treatment Centers, namely, Charlotte Maxeke, Dr Fabian and Florence Ribeiro, Ernest Malgas, Kensington, Madadeni, Khanyani, Taung, Swartfontein, Nkangala, Seshogo, Northern Cape and JB Marks.	No deviation
An approved Prevention of and Treatment for Substance Use Disorders Policy.	Prevention of and Treatment for Substance Use Disorders Policy approved.	New indicator	Target was not achieved. However, the SEIAS application process was finalised. The Department consulted JCPS and SPCHD Clusters, MinMec, HSDS, CDA, Government departments and other stakeholders.	Submit the Prevention of and Treatment for Substance Use Disorders Policy to Cabinet for approval.	The Draft Policy was submitted to Cabinet for approval to publish for public comments. The Policy was gazetted, and the public comments were integrated into the Draft Policy, which was presented to SPCHD Cluster for approval before it can be submitted to Cabinet. The Cluster supported the tabling of the Policy before Cabinet for approval.	Due to further consultation conducted on the Draft Policy through public comments.

Social Crime Prevention and Anti-Substance Abuse (*continued ...*)

Reduced levels of poverty, inequality, vulnerability and social ills					
Outcome	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/2024	Actual Outputs 2023/2024
Reasons for Deviation from 2023/2024 Target					
Outputs	Number of capacity building sessions conducted on the implementation of the Psychosocial Services Policy in GBVF hotspots districts.	A total of four (4) provinces (WC, KZN, MP, NC) were capacitated on the provision of Psycho-social Support Services Policy and Intersectoral Policy on the Sheltering Services in implementing the NSP. The hotspot districts were in EC on the 16–17 February 2022, MP on the 09–10 February 2022, NC on the 15–16 March 2022, LP on the 23–24 February 2022, GP on the 22–23 March 2022 and FS on the 29–30 March 2022).	A total of fifteen (15) GBVF hotspot districts were capacitated on the provision of psychosocial support services policy and Intersectoral policy on the sheltering services in implementing the NSP namely, North-West: Dr Kenneth Kaunda District (Ikageng GBVF hotspot); Gauteng Province: Johannesburg Metro (Alexandra, Moroka, Diepsloot, Honeydew, Orange Farm Sedibeng District (Mfuleni) West Rand Region; Kagiso Eastern Cape: (OR Tambo District) Nelson Mandela Bay and Amathole districts Free State: District: Mangaung (Bloemfontein); Western Cape: Cape Town Metro, (Delft, Khayelitsha and Nyanga); KZN: District: eThekweni Metro, eThekweni North, eThekweni South, King Cetshwayo, Durban North and Amajuba (Umlazi, Nanda, Ntuzuma, KwaMashu, Empangeni and Osizweni).	Conduct fifteen (15) capacity building sessions on the implementation of the Psychosocial Services Policy in GBVF hotspots districts.	Conducted fifteen (16) capacity building sessions on implementation of the Policy on Psychosocial Support Services in GBVF hotspot districts namely, Alfred Nzo, Amathole, Buffalo City Metro, Chris Hani, Joe Gqoabi, Nelson Mandela Metro, OR Tambo and Sarah Baartman (EC); Uthungulu, King Cetshwayo and Zululand (KZN); Capricorn, Vhembe, Waterberg, Mopani and Sekhukhune (LP) Dr Kenneth Kaunda and, Bojanala (NW). Tshwane, West Rand and Sedibeng (GP).

Social Crime Prevention and Anti-Substance Abuse *(continued ...)*

Reduced levels of poverty, inequality, vulnerability and social ills						
Outcome	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/2024	Actual Outputs 2023/2024	Reasons for Deviation from 2023/2024 Target
Established GBV shelter in each district.	At least one GBV shelter established in each district.	New indicator	New indicator	Establish and operationalise at least 1 GBV shelter and 1 Khuseleka Centre in each district by 31 March 2024.	A total of three GBV shelters were established and operationalised in partnership with NGOs as follows: - Free State Koffiefontein town in the Xhariep District - KwaZulu-Natal King Cetshwayo District - North West in Mafikeng Town, in the Ngaka Modiri Molema District. However, the Khuseleka One Stop Centre was not established.	There are existing GBV centres in 44 districts, only 8 districts did not have the GBV centres. Out of the 8 districts the department managed to establish 3 GBV centres in 3 districts and 5 districts are remaining. The Department has no intention of establishing Khuseleka One Stop Centre in each districts hence this is not achievable but rather to be established in each province. There are budget limitation in government/ DSD and these facilities are costly at approximately 15 mil to established and maintain. The One Stop Centre Facility is resource intensive and establishment in all districts will result in facilities that are not fully utilized. The currently achievable plan for the DSD is to establish the Khuseleka One Stop Centres in each province. There are already four facilities established in the Eastern Cape, Limpopo, North West and Western Cape. This gap is in five provinces (GP, MP, FS, KZN and NC).

Social Crime Prevention and Anti-Substance Abuse (continued ...)

Reduced levels of poverty, inequality, vulnerability and social ills						
Outcome	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/2024	Actual Outputs 2023/2024	Reasons for Deviation from 2023/2024 Target
Established at least one Khuseleka Centre in each district.	At least one Khuseleka Centre established in each district.	New indicator	New indicator	1 Khuseleka centre per district that are operational with full services and capacitated.	Saartjie Baartman Khuseleka Centre in the City of Cape Town district (Manenberg) was established and operational with full services and capacitated.	2. The Department has no intention of establishing Khuseleka One Stop Centre in each districts hence this is not achievable but rather to be established in each province. There are budget limitation in government/ DSD and these facilities are costly at approximately 15 mil to established and maintain. The One Stop Centre Facility is resource intensive and establishment in all districts will result in facilities that are not fully utilized. The currently achievable plan for the DSD is to establish the Khuseleka One Stop Centres in each province. There are already four facilities established in the Eastern Cape, Limpopo, North West and Western Cape. This gap is in five provinces (GP, MP, FS, KZN and NC).
Strategies to overcome under performance						
A User agreement has been signed between the provincial DSD HOD and DPWI, the project will be prioritised in the next financial year.						
The Draft Policy will be tabled before Cabinet in the 2024-2025 financial year.						
The Khuseleka Centre is included in the European Union Funding to ensure that there's is budget to deliver in the establishment and operationalization.						
The GBV Shelters are included on both CARA and European Union funding for the establishment.						

Office on the Rights of the Child

Outcome		Reduced levels of poverty, inequality, vulnerability and social ills				
Outputs	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/2024	Actual Outputs 2023/2024	Reasons for Deviation from 2023/2024 Target
A developed National Plan of Action for Children (NPAC)	NPAC developed	New indicator	New indicator	Develop the 5 th Draft NPAC document.	Draft 5 th NPAC document developed.	No deviation

Services to Persons with Disabilities

Outcome		Empowered, resilient individuals, families and sustainable communities				
Outputs	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/2024	Actual Outputs 2023/2024	Reasons for Deviation from 2023/2024 Target
Provinces capacitated on the Guidelines on Respite Care Services to Families of Children and Persons with Disabilities.	Number of provinces capacitated on the Guidelines on Respite Care Services to Families of Children and Persons with Disabilities.	The Guidelines on Respite Care Services for Families of Children and Persons with Disabilities were approved. An implementation plan for the guidelines was also developed and approved together with the guidelines. The Respite care baseline survey was undertaken, where a questionnaire was developed and administered. An analysis report has been developed and will be used to guide the development of the methodologies and capacity building programmes for the DSD officials in the implementation of the Respite Care Services.	A total of four provinces namely Northern Cape, Mpumalanga, Free State and Kwazulu-Natal in collaboration with DOH, DOE and NGO, Home-based care services were capacitated on the Guidelines on Respite Care Services for Families of Children and Persons with Disabilities.	Capacitate two (2) provinces on the Guidelines on Respite Care Services for Families of Children and Persons with Disabilities.	Capacitate four (4) provinces on the Guidelines on Respite Care Services for Families of Children and Persons with Disabilities namely, LP, MP, NC and NW.	The target was exceeded due to high demand for capacity building .
An implemented community-based system for personal assistance to support independent living within the community for persons with disabilities.	Community-based system for personal assistance to support independent living within the community for persons with disabilities implemented.	New indicator	User Specification on community-based system for personal assistance to support independent living within the community for persons with disabilities was developed.	Conduct research to map social development services supporting independent living within the community for persons with disabilities.	Service provider to map Social Development services to support independent living within the community for persons with disabilities was not appointed.	The procurement processes took longer than expected due to unavailability of service providers that meet the required specifications.

Services to Persons with Disabilities (continued ...)

Empowered, resilient individuals, families and sustainable communities						
Outcome	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/2024	Actual Outputs 2023/2024	Reasons for Deviation from 2023/2024 Target
Outputs	Approved Policy on Social Development Services to Persons with Disabilities	Policy on Social Development Services to Persons with Disabilities has not been finalized and was therefore not submitted to Cabinet for approval. The Policy was presented to the Executive and peer reviewed through a panel of experts to ensure that it reflects programmatic interventions for beneficiaries. The Policy was edited in order to respond to core policy issues through conducting research, document review of policies, strategies and interviews with provincial coordinators. The Socio-Economic Impact Assessment (SEIAS) Report was finalized and submitted to DMPE resulting in obtaining approval certificate to table the Policy at Cabinet for approval	–	Update and incorporate public comments in the Policy on Social Development Services to Persons with Disabilities.	Updated and incorporated public comments in the Policy on Social Development Services to Persons with Disabilities. The updated Policy was presented to the Presidential Working Group on Disability on 11 March 2024. Work in collaboration with SCM in outsourcing the suitable service provider to conduct research to map social development services supporting independent living within the community for persons with disabilities project	No deviation
Strategies to overcome under performance						
To work in collaboration with SCM in outsourcing the suitable service provider to conduct research to map social development services supporting independent living within the community for persons with disabilities project.						

Linking performance with budgets – Programme 4: Social Policy Development and Implementation

P 4: WELFARE SERVICES POLICY DEVELOPMENT & IMPLEMENTATION SUPPORT

Details per Sub-Programme		2023/2024			2022/2023		
		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
4.1	Service Standards	20 456	19 564	892	26 295	22 051	4 244
4.2	Substance Abuse	20 174	19 924	250	24 084	24 018	66
4.3	Older Persons	14 249	13 722	527	15 046	14 121	925
4.4	Persons with Disabilities	16 131	16 003	128	14 867	12 413	2 454
4.5	Children	79 653	78 505	1 148	83 824	82 871	953
4.6	Families	8 104	7 685	419	8 485	7 041	1 444
4.7	Social Crime Prevention & Victim Empowerment	86 471	84 402	2 069	79 845	76 263	3 582
4.8	Youth	9 538	9 069	469	13 062	10 725	2 337
4.9	HIV and Aids	55 033	52 062	2 971	43 989	43 260	729
4.10	Social Worker Scholarship	–	–	–	–	–	–
4.11	Programme Management	2 964	2 893	71	3 995	2 492	1 503
TOTAL		312 773	303 829	8 944	313 492	295 255	18 237



Programme 5: Social Policy and Integrated Service Delivery

Programme Purpose

To support community development and promote evidence-based policy making in the DSD Sector.

Social Policy

This year, the Department produced the State of the People Report, which is a situational analysis of the South African population based on the Census. The report looks at poverty levels and other related socio-economic factors that influence social inequalities in the country, and outlines programmes that the Department implements to mitigate the identified challenges. The report was consulted with the National Commission's Social and Humanities Committee.

South Africa was elected as President of UNESCO's Management of Social Transformation (MOST) Programme, which seeks to strengthen the link between knowledge and social policy. The MOST Programme's mandate is to foster institutions, systems and incentives for the sustained impact of knowledge on policies. South Africa's term as President of MOST will run from November 2024 to November 2025.

Special Projects and Innovation

This year marked the last year of Phase IV of the EPWP and 20 years since the EPWP came into existence. In 2003/2004, Cabinet gave the DSD a mandate to lead the EPWP's Social Sector, one of the four sectors targeted by the programme – the other sectors were Infrastructure, Non-State, and Environment and Culture. The EPWP is a multi-sectoral, multi-departmental and nationwide initiative to alleviate poverty through the creation of temporary work opportunities targeting the most marginalised in society. When the Department received this mandate, it lacked resources but saw the alignment between the EPWP's objectives and its mandate of poverty alleviation and social protection. As a result, the Department quickly found the means and mechanisms to respond to this mammoth task, and continues to pursue this mission.

The EPWP Social Sector includes the departments of social development, health, education, community safety and sports, which collectively contribute to providing temporary work opportunities through the EPWP, targeting mainly the youth, women and persons with disabilities. Over the years, the

Department has invested in creating coordination mechanisms that ensure unity and integration, so the five departments work together toward this critical common goal and, ultimately, contribute towards the greater goal of pushing away the frontiers of poverty. Participants in the programme, some of whom are primary caregivers of children receiving the CSG, are provided with work experience and training opportunities that offer pathways to employability and enterprise development.

In Phase I of the EPWP, the Social Sector had only two programmes, for early childhood development and home community-based care, and five-year target of just 150 000 work opportunities. Over the past 20 years, the Social Sector has contributed over 2.9 million work opportunities, providing a cushion to poor communities, as well as much-needed public assets and services in childcare, home community-based care, sports, community safety and school nutrition. This year, the sector created 190 264 work opportunities against the target of 178 120.

Community Mobilisation and Empowerment

This year, the Department submitted the draft National Community Development Policy to Cabinet for approval. The policy is aimed at coordinating and integrating community development interventions and standardising practices nationally. It support the MTSF Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services. The Department also undertook an evaluation of the Community Development Practice and Methodologies training of community development practitioners in three provinces, to understand the impact of this training on improving skills for empowering communities.

The Department capacitated 15 districts and metros on the Community Mobilisation and Empowerment Framework: Mangaung Metro, Lejweleputswa, Thabo Mofutsanyane, Bojanala, Dr Ruth Segomotse Mompoti, Fezile Dabi, Xhariep, Amajuba, uThukela, uMzinyathi, Ngaka Modiri Molema, Dr Kenneth Kaunda, uMgungundlovu, eThekweni North and King Cetshwayo. The Department also monitored the DSD's participation in the District Development Model (DDM) in nine provinces. The aim is to facilitate the integration of DSD services through the municipal One Plan One Budget.

The Department participated and supported 30 ministerial public participation Outreach programmes. Its Social Mobilisation and Community Empowerment unit, participated in ministerial public programmes across the country, including the commemoration of the International Day of Families in Platfontein, Northern Cape; the Pink Drive in Mokopane, Limpopo; Child Protection Week in Hout Bay, Western Cape; the launch of the ChommY Programme in Voslorus, Gauteng; and the International Day Against Drug Abuse in Toekomsrus and Mohlakeng, Gauteng.

The Department also participated and supported presidential imbizos in various districts across the country, including Sekhukhune, Chris Hani, uThukela District, Dr Kenneth Kaunda, Lejweleputswa and eNkangala districts.

Youth Development

During the year, the Department monitored the implementation of the DSD Youth Development Policy in nine provinces. Ministerial outreach programmes were supported in various provinces, including parliamentary activities focusing on young people; the launch of multimedia centres at Groot Marico Community Care Centre (North West) and at Charlestown Community Care Centre (KwaZulu-Natal); as well as youth graduation ceremonies in Ehlanzeni District, Mpumalanga and at the IDLEBE Community Care Centre, Ulundi, KwaZulu-Natal.

NPOs Registration and Information Management

NPO funding

The Department continues to provide financial support to NPOs through transfers and subsidies, which are administered in line with the PFMA and the DSD Sector Funding Policy that was recently been reviewed and approved. The policy introduces reforms aimed at transforming and standardising how NPOs are evaluated across provinces. Through this process, the Department also reviewed the legislation to determine statutory and non-statutory services. The review's recommendations support efforts to ensure that public funds are prioritised to the most vulnerable, especially considering the current and medium-to-long-term economic and fiscal landscape.

To strengthen the policy's implementation, nine capacity-building sessions were conducted across the provinces and an e-learning platform was developed, to enhance interactive learning and complement the face-to-face training sessions.

The ongoing capacity-building is to ensure improved service delivery, partnership arrangements and management of transfers by a well-equipped and skilled workforce.

The Department developed the NPO Online Funding System, to replace the manual funding process that is cumbersome for both the officials and NPOs. The online system aims to improve payment turnaround by automating all processes, from application for funding to the processing of payments.

In 2023/24, the Department made available over R5 875 123 billion to over 8 000 NPOs that are rendering developmental social services throughout the country. These transfers contributed to an average of 37 809 employment opportunities created on an annual basis through NPO-funded programmes under the DSD's programme 2, 3, 4 and 5:

- Services to Older Persons
- Services to People with Disabilities
- HIV & AIDS Programmes
- Families Programmes
- Child Protection Services
- Women Programmes
- Youth Programmes
- Victim Empowerment and Social Crime Prevention services
- Sustainable livelihoods
- Poverty Alleviation

Although the primary objective is to support the NPO sector in delivering services to the beneficiaries, these subsidies also contribute to economic growth and job creation opportunities for the following employment categories:

- Social service practitioners, such as social workers, auxiliary social workers, caregivers, child and youth care workers, community development practitioners, youth development workers.
- Support workers, such as cooks, gardeners, house mothers, drivers, admin clerks and cleaners.

NPO Compliance Monitoring Directorate

The Department regulates NPOs and ensures that an enabling environment is created for NPOs to flourish as desired by the NPO Act. The NPO legislation further assigns DSD to provide an administrative facility through which NPOs can register and conduct their business in a manner that is fair and just. As such, Section 22 of the NPO Act makes provision for NPOs to appeal against refusal to be registered and cancellation of registration. Towards ensuring effective and efficient administration of NPOs the Directorate engaged in the following during the period under review:

Panel of Arbitrators

To ensure that the appeals process is run smoothly by a competent panel, in August and September 2023, the NPOs Registration and Information Management organised two working sessions for the NPO Panel of Arbitrators. The purpose was to ensure that the panel is fully supported and has the necessary tools and adequate knowledge on the NPO Sector and its related legislation to effectively deliver on its mandate. The outcome of the panel session was the development of the NPO Conflict of Interest for Panel of Arbitrators, NPO Professional Practice and Ethical Conduct for Panel of Arbitrators, NPO Professional Practice and Ethical Conduct for Panel of Arbitrators and NPO Panel of Arbitrators and Tribunals Charter. To further equip the panel members with technical skills, a training on arbitration was organised in December 2023 and was attended by all members except for one who had other clashing commitments.

NPO compliance supervision and enforcement

The amended NPO Act, as contained in the General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Act (GLAA) requires the Department to supervise NPOs using the Financial Action Task Force (FATF) risk-based approach and impose sanctions in instances where NPOs are found to have committed offences as outlined in the legislation. This year, the Department worked on various cases, including 56 priority cases, of which 52 were processed. The Department also processed 220 of the whistleblowing and email inboxes out of 263 received and further processed 98% of the affidavits received.

The Department processed 50 610 or 84.4% of the 59 972 annual reports received from NPOs in terms of Section 18 of the NPO Act, within two months, and in so doing met its annual target.

NPO Programme Management and Institutional Support

The amended NPO Act mandates the Department to ensure that NPOs improve their governance practices and comply with legislative provisions. It incorporates measures to prevent and deal with terrorism financing and money laundering (FATF Recommendation 8) within the NPO sector, which was identified as vulnerable to these financial crimes. This means that NPOs have to comply with new obligations and

requirements and that failure to comply will lead to penalties. Therefore, the Department implemented an intensive programme to create awareness of the obligations and requirements. The following information-sharing and training sessions were conducted on the NPO Act amendments (and their implications for NPOs and officials supporting NPOs), money laundering and terrorist financing.

- In Mpumalanga, Eastern Cape, Northern Cape, Gauteng, Limpopo, KwaZulu-Natal, North West, Western Cape, Gauteng and Free State for a total of 98 officials dealing with NPOs and 281 NPOs.
- In Gauteng, for 71 early childhood development centres.
- In partnership with the Gauteng Province, sessions were held for the 50 branches of the Salvation Army Networking Structure and for 22 NPOs.

Development of material for education and awareness

The Department developed two brochures explaining the changes to the NPO legislation and FATF Recommendation 8, with the aim of creating awareness among NPOs of their vulnerability to money laundering and terrorism financing and how to protect themselves. The brochures were widely communicated and shared, distributed to various provinces and to NPOs.

To promote good governance within the sector, the Department reprinted material used for the Train the Trainer Programme that cover NPO leadership and governance, NPO management and strategic development, and NPO financial management and resource mobilisation. This material is also used as reference resources for officials when engaging NPOs, as they serve as the blueprint for standardising train the trainer and delivering quality support for NPOs.

NPO Mentorship Model

The Department developed the NPO Mentorship Model aimed at strengthening the institutional capacity of small emerging NPOs according to their development stage. The mentoring covers governance, financial management, compliance and strategic development, including resource mobilisation. The Department also developed the NPO Toolkit, which contains tools, policies, operating procedures and sample documents to support NPOs in building systems and effective mechanisms required for the smooth running of organisations.

The Department requested funds from the Health and Welfare SETA (HWSETA) to implement the NPO Mentorship Model. The HWSETA granted funding for the first phase of implementation (training mentors in KwaZulu-Natal, Western Cape, Eastern Cape, North West and Gauteng) and has appointed service providers. The training of NPO mentors will begin during the first quarter of 2024/25.

Implementation of FATF Recommendation 8

To ensure that the Department met the standards set in the FATF Action Plan to improve the country's rating (grey listing), the Department undertook the following:

- Developed a costed business case outlining the capacity required to implement GLAA and FATF Recommendation 8 and submitted a proposal to National Treasury.
- Drafted a concept on outreach for recommendation 8, to be aligned with the Outreach Plan as per received guidance from Recommendation 8 experts.
- Drafted a supervision framework together with its tools for supervising NPO at risk.
- Conducted an NPO Sectorial Risk Assessment, to determine NPOs at risk of being abused for terrorism financing and money laundering. A report was developed and will be launched on 18/19 April 2024 in partnership with the Financial Intelligence Centre (FIC).
- Developed content and a presentation to be shared with donors in a webinar scheduled for end of April 2024.
- Participated in meetings organised by the State Security Agency and FIC on anti-terrorism financing and money laundering within the country, and how NPOs are affected.
- Compiled inputs on Recommendation 8, which formed part of the National Treasury Progress report, tracking work done by departments towards addressing FATF Action Plan to improve the country's rating (grey listing)
- Facilitated training of officials to enhance their capacity for combating terrorism financing and money laundering when administering the NPO Act. Training included analysing financial statements and detecting and investigating money laundering.

Induction of NPOs

The Department continued to organise induction sessions both for newly registered NPOs (on legislative requirements for submitting reports post registration) and for those whose applications were not successful, (on registration requirements). The Department reached 290 NPOs through online sessions.

Development of the Codes of Good Practice for Donors and Funders of NPOs

The Codes of Good Practice are a critical guideline that seeks to ensure that there is standardisation within the funding practice and that funding is done in a just and equitable manner. Inputs from stakeholders were considered when finalising the Codes of Good Practice, to ensure that they are in line with GLAA provisions. The Department plans to promote the Codes to NPO stakeholders in the next financial year.

NPO sector engagements

The Department played a central role in coordinating the logistics to host the Interfaith engagement, as requested by the Deputy President, from invitation to accreditation. The purpose of the engagement was to revive the commitment to address the social ills faced by the society and to strengthen collaboration between government and religious leaders in promoting social cohesion. The event was held in September 2023 and was a great success. Following the event, the Department drafted a report in collaboration with the Presidency and Department of Arts Sports and Culture.

The Deputy Minister has played a central role in the drive to create awareness on matters pertaining to compliance with NPO Legislation by faith-based organisations (FBOs) through the Know Your NPO Status campaign. The aim is to assist FBOs to comply with the provisions of the NPO Act and submit annual reports as required by Section 18.

In March 2024, the Deputy Minister hosted funded NPOs through the G2G Project. Twenty organisations attended the session and were assisted with their NPO compliance status, trained on NPO compliance and received promotional materials.

Capacity-building workshop

In November 2023, the Department conducted sessions for NPOs in partnership with provincial counterparts in Gauteng and the Eastern Cape. In Gauteng, 179 participants received training on NPO governance, compliance NPO Act reporting requirements and other legislations affecting the NPO sector. In the Eastern Cape, 211 participants were assisted with information sharing, changes to their organisation's information and submission of reports.

NPO registration

The Department received 24 467 new applications for registration from NPOs. Of these, 17 245 NPOs qualified in terms of the NPO Act. The Department registered 100% of the qualifying NPOs within two months, meeting its APP target for 2023/24.

Enhancing NPO system

FATF Recommendation 8 requires that the Department integrate its system with other regulators and agencies to ensure data validation, a coordinated approach in regulating NPOs, and that all the regulators have similar information. It also requires office bearers of NPOs to be screened using different sources. To ensure data integrity and promote efficient administration of NPOs, the Department undertook the following:

- NPO system development. The Department contracted Vodacom to enhance and automate the NPO system. This was done in consultation with users and support from Department's IT section of the department. The following modules were developed: registration, compliance monitoring (which includes deregistration, appeal, reporting), capacity-building and customer relations management.
- Updating of NPO data. The contact details of NPO office bearers were updated, as the current system contained old information that made it difficult to communicate with NPOs. The Department will devise a plan to reach NPOs without valid contact information.
- Verification of office bearers ID numbers with Home Affairs. The Department initiated a project of validating ID number of NPO office bearers against the Home Affairs system. A total of 464 504 requests were processed successfully and 862 001 are still to be processed. The intention is to validate all the ID numbers in the NPO Register, to ensure that only verified and valid data is migrated to the newly developed electronic NPO system and can be confidently integrated and shared with other regulators and authorities.

Poverty Alleviation, Sustainable Livelihoods and Food Security

The Department has implemented the National Food and Nutrition Security (NF&NS) Plan by participating in the national Technical Working Group (TWG) and reporting quarterly on the sector targets. The NF&NS Plan 2024–2029 Plan is being developed, based on the evaluation of the NF&NS Plan 2018–2023.

The Department also partnered with the UNICEF to develop the Food Safety & Quality Assurance (FSQA) Toolkit for DSD centres. Once completed, the toolkit will be rolled out to all DSD centres.

Following the South African Human Rights Commission (SAHRC) report regarding child hunger and malnutrition in the Eastern Cape, the Department immediately implemented the following activities, as a rapid response to the crisis:

- Facilitated the NF&S TWG engagement with the provincial leadership on coordinating food and nutrition security in the Eastern Cape.
- Assisted the province to develop the Provincial F&NS Plan.
- Trained and built capacity of 229 officials in nutrition assessment counselling support (NACS) for DSD feeding centres personnel, to enable early detection of malnutrition cases.

The Department also developed the improvement plan based on the evaluation of the Household F&NS Programme's design and implementation. Quarterly performance assessments on the implementation of the Household F&NS programme were facilitated in consultation with provinces. The Department commemorated National Nutrition Week with a traditional foods funfair event held in partnership with the University of Zululand and the HSRC.

In 2023/24, the Department achieved the following:

- Linked 36 000 social protection beneficiaries to sustainable livelihood opportunities (jobs, entrepreneurship and skills development). The development of a monitoring and evaluation tool, combined with engagements through the DDM and Directors' Forum, encouraged more provinces to report on this target compared to previous years.
- Implemented the Reviewed Sustainable Livelihood Framework through empowerment training for 284 CDPs in eight provinces. A partnership was established with FINMARK Trust in order to implement Generating Better Livelihood pilot programme in three provinces (KwaZulu-Natal, Gauteng and Free State) for three years. So far, a detailed market research has been conducted and linkage facilitators appointed.
- Developed a draft Poverty Alleviation Strategy, working with the Presidency and coordinating the contribution of all departments, that was presented to Cabinet.
- Appointed a service provider to conduct a design evaluation study on linking social protection beneficiaries in the next financial year.

Population and Development

In July 2023, the Department convened the Population Policy+25 Conference, which focused on four themes: population dynamics, gender, sexual and reproductive health and rights, and migration and urbanisation, with a total of 22 papers presented across the thematic sessions. Speakers included leaders from academia, government and civil society, notably Dr Busi Mkwana (National Planning Commission member), Steve Letsike (ANC NEC member) and senior officials from the DPME and Stats SA. The conference included a segment commemorating World Population Day and a panel discussion to reflect on the intention of the population policy at the time it was adopted, and where we are now – and pointers for the future. Dr Geraldine Fraser-Moleketi, Professor Barbara Klugman and Professor Monde Makiwane participated in the panel.

In September 2023, the Department convened a BRICS Seminar on Population (in Durban) that was attended by delegates from Russia and China (in person), and Brazil and India (online). The seminar's theme was "The Dynamics of the Changing

Population Age Structure of BRICS Countries: Opportunities and challenges, including climate change", with five sub-themes: drivers of demographic change, including education and sexual and reproductive health & rights; demographic dividend: youth development – experiences/prospects; gender, equity, equality and women empowerment; migration: internal and international; population ageing. The South African delegation included presenters from the DSD, the Department of Women, Youth & Persons with Disabilities, the National Youth Development Agency, the Department of Human Settlements, Statistics South Africa and the Department of Home Affairs.

On 6 March 2024, the draft Sexual and Reproductive Justice Strategy was presented during a consultative stakeholder workshop, where various stakeholders, including sector departments, CSOs, and young people engaged with the draft strategy and provided sector specific inputs on objectives and interventions, towards the development and finalisation of the strategy for the country. A submission on the government Sexual and Reproductive Justice Strategy has been sent to the Minister to approve its submission to Cabinet

Programme 5: Social Policy and Integrated Service Delivery

Social Policy

Outcome	Reduced levels poverty, inequality, vulnerable and social ills					
Output	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/24	Actual Output 2023/24	Reasons for Deviation from 2023/24 Target
A produced report on the State of the People of South Africa.	Annual report on the State of the People of South Africa produced.	New indicator	A report on the State of the People of South Africa produced.	Produce an annual State of the People of South Africa Report.	Report on the State of the People of South Africa produced.	No deviation

Special Projects and Innovations

Outcome	Reduced levels poverty, inequality, vulnerable and social ills					
Output	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/24	Actual Output 2023/24	Reasons for Deviation from 2023/24 Target
EPWP work opportunities created through Social Sector EPWP Programmes.	Number of EPWP work opportunities created through Social Sector EPWP Programmes.	A total of 236 875 work opportunities were created through Social Sector EPWP Programmes.	204 997 work opportunities created through Social Sector EPWP Programmes.	Create 178 120 EPWP work opportunities through Social Sector EPWP Programmes.	A total of 200 807 work opportunities created through Social Sector EPWP Programmes.	The increase in Incentive Grant that programmes received from National Treasury.

Community Mobilisation and Empowerment

Outcome	Reduced levels poverty, inequality, vulnerable and social ills					
Output	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/24	Actual Output 2023/24	Reasons for Deviation from 2023/24 Target
Districts capacitated on the implementation of Community Mobilisation and Empowerment Framework.	Number of districts capacitated on the Community Mobilisation and Empowerment Framework.	Capacity building of nine provinces on Community Mobilisation and Empowerment Framework has been conducted.	Capacitated 18 districts on the Community Mobilisation and Empowerment Framework towards implementation of DDM.	Capacitate eleven (11) districts on the Community Mobilisation and Empowerment Framework.	Capacitated fifteen (15) districts on the Community Mobilisation and Empowerment Framework.	The target was exceeded due to increased demand for capacity building by Provinces.
A conducted implementation evaluation of the training of CDPs on Community Development Practice and Methodologies.	Implementation evaluation on the training for CDPs on Community Development Practice and Methodologies conducted.		New indicator	Conduct an implementation evaluation of the training of CDPs on Community Development Practice and Methodologies in three (3) provinces.	Conducted an implementation evaluation of the training of CDPs on Community Development Practice and Methodologies in three (EC, FS & LP) provinces.	No deviation
Monitored participation of provinces in District Development Model (DDM).	Participation of provinces in District Development Model (DDM) monitored.	New indicator	Coordinated DSD participation in the Districts Development Model (DDM) in 18 Districts.	Monitor participation on the DDM in nine (9) provinces	Monitored participation on the DDM in nine (9) provinces.	No deviation
Outcome	Functional, efficient, and integrated sector					
An approved National Community Development Policy.	National Community Development Policy approved.	National Community Development Policy has been consulted with stakeholders.	Submitted the draft National Community Development Policy to SPCHD Cluster for approval.	Submit draft National Community Development Policy to Cabinet for approval.	Submitted draft National Community Development Policy to Cabinet for approval.	No deviation

Youth Development

Outcome	Reduced levels poverty, inequality, vulnerable and social ills					
Output	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/24	Actual Output 2023/24	Reasons for Deviation from 2023/24 Target
An implemented DSD Youth Development Policy.	DSD Youth Development Policy implemented.	Capacity building on the DSD Youth Policy 2021–2030 was conducted in all provinces.	Produced an M&E report on the implementation of the DSD Youth Development Policy.	Monitor implementation of DSD Youth Development Policy in all provinces.	Monitored implementation of DSD Youth Development Policy in all provinces.	No deviation

Non-Profit Organisations

Outcome		Reduced levels poverty, inequality, vulnerable and social ills					
Output	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/24	Actual Output 2023/24	Reasons for Deviation from 2023/24 target	
Qualified NPO applications registered in compliance with Section 13(2) of the NPO Act.	% of qualifying applications received within two (2) months registered.	A total of 27 552 applications were received and 27 127 were processed, of which 98% (27 089) of received applications were processed within two months.	Received 28 306 applications and processed 28 061 and 98.6% (27 898) of received applications were processed within two months.	Register 100% qualifying applications received within two (2) months in compliance with Section 13(2) of the NPO Act.	Received 24 467 applications and 17 245 (100%) of received within two (2) months were registered in compliance with Section 13 (2) of the NPO Act.	No deviation	
Processed NPO reports for compliance.	% of NPO reports processed within two (2) months of receipt.	A total of 41 147 reports were received and 35 627 were processed, of which 33 369 (81%) of received reports were processed within two months.	Received 59 624 reports and processed 57 528 and 56 739 (95.2%) of received reports were processed within two months.	Process 80% of reports within two (2) months of receipt.	Received 59 972 reports and 50 610 (84.4%) of received reports were processed within two months.	No deviation	
NPO Money Laundering and Terror Financing Risk Assessment.	NPO Money Laundering and Terror Financing (ML/TF) Sector Risk Assessment conducted.	New indicator	New indicator	Final Money Laundering and Terror Financing (ML/TF) NPO Sector Risk Assessment conducted.	Final Money Laundering and Terror Financing (ML/TF) NPO Sector Risk Assessment was conducted.	No deviation	
A developed NPO electronic system.	NPO electronic system developed.	New indicator	New indicator	Develop an NPO electronic system	The NPO electronic system developed.	No deviation	
An implemented DSD Sector Funding Policy.	Number of capacity building sessions on E-Learning platform for the DSD Sector Funding Policy.	Provinces were capacitated on DSD Sector Funding Policy.	Capacitated Train-a-Trainer programme with provincial champions to build capacity towards implementation of the DSD Sector Funding Policy.	Conduct nine (9) capacity building sessions on E-Learning platform for the DSD Sector Funding Policy.	Conducted nine (9) capacity building sessions on E-Learning platform for the DSD Sector Funding Policy.	No deviation	

Poverty Alleviation, Sustainable Livelihood and Food Security

Reduced levels poverty, inequality, vulnerable and social ills							
Outcome	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/24	Actual Output 2023/24	Reasons for Deviation from 2023/24 target	
An implemented National Food and Nutrition Security Plan.	National Food and Nutrition Security Plan implemented.	A report on the Implementation of the DSD food and nutrition security plan has been developed.	An annual report on the implementation of the National Food and Nutrition Security Plan developed.	Develop an annual report on the implementation of the National Food and Nutrition Security Plan	An annual report on the implementation of the National Food and Nutrition Security Plan has been developed.	No deviation	
Implemented programme to link social protection beneficiaries to sustainable livelihood opportunities.	Number of social protection beneficiaries linked to sustainable livelihood opportunities.	New indicator	29 297 social protection Beneficiaries linked to Sustainable Livelihoods Opportunities.	Link thirty thousand (30 000) social protection beneficiaries to sustainable livelihood opportunities.	31 314 social protection beneficiaries linked to Sustainable Livelihood.	Gauteng province has specific programme that links young people to the entrepreneurs hip and skills development programmes.	
Reviewed Sustainable Livelihood Framework for CDPs.	Reviewed Sustainable Livelihood Framework for CDPs approved.	The Framework for a Programme to Link Social Protection Beneficiaries to Sustainable Livelihoods is finalised.	The Sustainable Livelihoods Framework was not submitted to Cabinet for approval. The Framework was submitted to MANCO, HSDS TWG and SPCHD.	Submit the reviewed Sustainable Livelihood Framework to Cabinet for approval.	The reviewed Sustainable Livelihood Framework was withdrawn from Cabinet approval processes.	The Sustainable Livelihood Framework was withdrawn from Cabinet process since it was going to be a government-wide programme that was going to require new funding. National Treasury advised that it be implemented in collaboration with other programmes of the same nature like Anti-Poverty Strategy that was led by DSD and Presidency.	
Conducted design evaluation on linking social protection beneficiaries to sustainable livelihood.	Design evaluation on linking social protection beneficiaries to sustainable livelihood conducted.	New indicator	The study on the Design and Implementation Evaluation of the Sustainable Livelihood Programme has been completed the report has been produced.	Conduct a design evaluation on linking social protection beneficiaries to sustainable livelihood opportunities.	Target not achieved. The service provider was appointed in February and contract was signed in March 2024.	The procurement processes took longer than expected due to unavailability of service providers that meet the required specifications.	
A developed Poverty alleviation strategy.	Poverty alleviation strategy developed to achieve NDP targets.			Poverty alleviation strategy developed by 31 March 2024.	Anti-Poverty Strategy was developed.	No deviation	
Strategies to overcome under performance							
The design evaluation on linking social protection beneficiaries to sustainable livelihood opportunities will be prioritised in the next financial year.							
The indicator (Reviewed Sustainable Livelihood Framework) will be revised in the next financial year.							

Population and Development

Outcome	Reduced levels poverty, inequality, vulnerable and social ills						
	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/24	Actual Output 2023/24	Reasons for Deviation from 2023/24 Target	
A reviewed Population Policy.	Population Policy reviewed.	The implementation of the Population Policy was monitored through producing three reports on: (i) Impact of the pandemic on the well-being of youth, (ii) Report on the South African commitments to Nairobi Summit ICPD+25, (iii) Population and Sustainable Development, and a concept note for the development ICPD+30 and Policy+25 progress review reports.	Monitored the implementation of the Population Policy through producing 2 reports and a concept note.	Draft progress review report on the implementation of the Population Policy.	The draft progress review report on the implementation of the Population Policy was not completed. Five chapters for the progress review report on the implementation of the Population Policy produced.	Late release of the Census 2022 results delayed the drafting of the chapters, which still must be synthesised into one report.	
An approved Government Sexual and Reproductive Justice Strategy.	Government Sexual and Reproductive Justice Strategy approved.	New indicator	New indicator	Submit the Government Sexual and Reproductive Justice Strategy to the Minister to approve its submission to Cabinet.	The target to submit the Government Sexual and Reproductive Justice Strategy to the Minister to approve its submission to Cabinet was not achieved.	More stakeholders consultations were needed to address issues that came out of the initial consultations.	

Population and Development (continued ...)

Functional, efficient, and integrated sector						
Outcome	Output Indicator	Actual Achievement 2021/2022	Actual Achievement 2022/2023	Annual Target 2023/24	Actual Output 2023/24	Reasons for Deviation from 2023/24 Target
Implemented Framework on Integration of Population Policy in the District Development Model (One Plans).	Implemented Framework on Integration of Population Policy into the District Development Model (One Plans) monitored.	Capacitate nine (9) provinces on the implementation of the integration of Population Policy into the District Development Model.	A monitoring report on the implementation of the Framework on the integration of the Population Policy in the District Development Model produced.	Monitor implementation of the Framework on Integration of Population Policy in the District Development Model (One Plans).	Monitoring of the implementation of the Framework on Integration of Population Policy in the District Development Model (One Plans) was conducted and report was developed.	No deviation
Municipalities trained on Integrating Migration & Urbanisation into Integrated Development Plans (IDPs).	Number of municipalities trained on Integrating Migration & Urbanisation into IDPs.	Train ninety-two (92) municipalities on the Integrating Migration issues into the IDP.	137 municipalities trained on the Integrating Migration issues into the IDP.	Train sixty (60) municipalities on the Integrating Migration & Urbanisation into IDPs.	72 municipalities were trained on integrating migration and urbanisation issues into the IDPs.	The increase demand and the interest from municipalities.
Strategies to overcome under performance						
The Government Sexual and Reproductive Justice Strategy will be processed to the Minister in the next financial year.						
The draft progress review report on the implementation of the Population Policy will be completed in the next financial year.						

Linking performance with budgets- Programme 5: Social Policy and Integrated Service Delivery

P 5: SOCIAL POLICY AND INTEGRATED SERVICE DELIVERY

Details per Sub-Programme		2023/2024			2022/2023		
		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
5.1	Social Policy Research & Development	5 102	3 996	1 106	4 543	4 364	179
5.2	Special Projects & Innovation	5 547	4 965	582	8 285	8 236	49
5.3	Population Policy Promotion	30 447	30 017	430	30 848	29 476	1 372
5.4	Registration & Monitoring of Non-Profit Organizations	53 709	53 314	395	49 216	49 151	65
5.5	Substance Abuse Advisory Services & Oversight	9 513	9 415	98	7 831	7 783	48
5.6	Community Development	35 089	35 036	53	36 684	36 651	33
5.7	National Development Agency	220 116	220 116	–	219 274	219 274	–
5.8	Programme Management	4 332	4 173	159	5 653	5 652	1
TOTAL		363 855	361 032	2 823	362 334	360 587	1 747

10 PERFORMANCE IN RELATION TO STANDARDISED OUTPUTS AND OUTPUT INDICATORS

The Social Development Sector was partially customised for the 2023/24 financial year. It was not fully customised because agreement could not be reached with all nine provincial departments on a standardised set of indicators to be included as customised indicators. However, despite the non-customised status of the sector, most of the provincial departments report on a standardised set of indicators as part of the quarterly performance reporting on the EQPR

The national Department analyses data and produces quarterly reports and an annual report on provincial performance acknowledging the gaps in the data that is available. The Department will be addressing the issue of non-customisation in the sector for future reporting periods.

11 TRANSFER PAYMENTS

Transfer payments to public entities

SOUTH AFRICAN SOCIAL SECURITY AGENCY (SASSA)																	
Key outputs of the public entity	SASSA's objectives are to ensure the effective and efficient administration, management and payment of social assistance grants.																
Amount transferred to the public entity R'000	7 570 261																
Amount spent by the public entity R'000	7 290 209																
Achievements of the public entity	SASSA is a public entity of the national DSD established in terms of the SASSA Act, 2004 (Act No. 9 of 2004). During 2023/24, SASSA continued to execute its constitutional mandate. Between end March 2023 and end March 2024, SASSA increased the number of social grants paid (including grant in aid) from 18 829 716 to 19 137 524, at a cost of R252 billion, including R34 billion of Covid-19 expenditure. This represents an overall growth of approximately 2%. The breakdown is as follows, as at 31 March 2024: <table> <tr> <td>Old Age Grant</td><td>4 041 763</td></tr> <tr> <td>War Veterans Grant</td><td>9</td></tr> <tr> <td>Grant in Aid</td><td>401 761</td></tr> <tr> <td>Disability Grant</td><td>1 056 270</td></tr> <tr> <td>Foster Child Grant</td><td>253 256</td></tr> <tr> <td>Care Dependency Grant</td><td>165 764</td></tr> <tr> <td>Child Support Grant(*)</td><td>13 218 701</td></tr> <tr> <td>Total</td><td>19 137 524</td></tr> </table> (*) includes Child Support Grant top-up 67 287 Between 1 April 2023 and 31 March 2024, SASSA processed 1 897 513 social grant applications, of which 95.21% (1 806 561) were processed within the targeted 10 days. In line with the further extension of the Covid-19 SRD grant to the end of March 2024, SASSA continued to process applications for this grant to benefit eligible people living in South Africa. Between 1 April 2023 and 31 March 2024, SASSA processed 174 833 768 applications/transactions (approximately 14.5 million per month), of which 105 667 783 were approved and 69 165 985 were declined. In March 2024, SASSA processed 9 326 556 Covid-19 SRD grant (R350) applications, of which 9 322 885 applications were approved and 3 671 were declined. On a monthly basis, SASSA administered almost 29 million grants (including both normal grants and Covid-19 SRD grants), representing about 45% of the population (62 million). As part of processing these applications, SASSA regularly runs a monthly verification process with various databases (<i>GEPIF, UIF, NSFAS, Correctional services, etc</i>) to ensure that deserving applicants benefit from the grant. During 2023/24, SASSA continued with the normal SRD grant, processing 112 760 applications at a cost of R277 million. These grants were awarded to individuals and households affected by disastrous situations. They were in different forms, ranging from cash, vouchers, school uniform and disaster relief. As at end March 2024, children's grants had been paid to 469 433 eligible children below the age of one year, against the eligible baseline of 794 852, representing 59% of the eligible population.	Old Age Grant	4 041 763	War Veterans Grant	9	Grant in Aid	401 761	Disability Grant	1 056 270	Foster Child Grant	253 256	Care Dependency Grant	165 764	Child Support Grant(*)	13 218 701	Total	19 137 524
Old Age Grant	4 041 763																
War Veterans Grant	9																
Grant in Aid	401 761																
Disability Grant	1 056 270																
Foster Child Grant	253 256																
Care Dependency Grant	165 764																
Child Support Grant(*)	13 218 701																
Total	19 137 524																

THE NATIONAL DEVELOPMENT AGENCY (NDA)	
Key outputs of the public entity	The NDA's primary mandate is to contribute towards the eradication of poverty and its causes by granting funds to civil society organisations (CSOs). Its secondary mandate is to promote consultation, dialogue and sharing development experience between CSOs and relevant organs of state.
Amount transferred to the public entity R'000	220 116
Amount spent by the public entity R'000	255 179 (Including expenditure on third-party funds and interest earned)
Achievements of the public entity	The NDA made the following contribution towards the eradication of poverty and its causes: ● Funded 79 poverty eradication CSOs ● Capacitated 3077 CSOs with skills to implement poverty eradication projects ● Capacitated 5087 beneficiaries with skills to implement poverty eradication projects ● Undertook three research publications ● Submitted three policy briefs to relevant stakeholders ● Held two dialogues with relevant stakeholders ● Conducted three evaluations ● Approved a multi-year evaluation plan ● Developed a concept document: Economic Pathways out of Poverty



Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2023 to 31 March 2024.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Department comply with S38(1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
South African Older Persons Forum	Non-profit organisation	The promotion and protection of the rights, safety and well-being of older persons.	Yes	1 612	1 507	Remaining activities are expected to be finalised by 31 October 2024.
National Institute Community Development and Management	Non-profit organisation	For the provision of comprehensive services to older persons suffering from Alzheimer's and related illnesses and mentoring of upcoming organisations rendering services to older persons.	Yes	1 489	2 481	Expenditure includes funds rolled over from the 2022/23 financial year.
Families and Marriage Society South Africa	Non-profit organisation	The strengthening, supporting and preserving of families through transformed and sustainable services and programmes.	Yes	1 095	1 045	Remaining activities are expected to be finalised by 30 September 2024.
Suid Afrikaanse Vroue Federasie	Non-profit organisation	The strengthening, supporting and preserving of families through transformed and sustainable services and programmes.	Yes	780	676	Remaining activities are expected to be finalised by 31 March 2025.
Cape Development and Dialogue Centre Trust (CDDC)	Non-profit organisation	The provision of prevention and early intervention services to orphans and vulnerable children.	Yes	1 423	1 396	Remaining activities are expected to be finalised by 30 September 2024.
Suid Afrikaanse Vroue Federasie	Non-profit organisation	The provision of child protection services.	Yes	924	909	Remaining activities are expected to be finalised by 30 September 2024.
Childline South Africa	Non-profit organisation	The provision of child protection services.	Yes	1 516	1 712	Expenditure includes funds rolled over from the 2022/23 financial year.
RATA	Non-profit organisation	The provision of prevention and early intervention services to orphans and vulnerable children.	Yes	847	793	Remaining activities are expected to be finalised by 31 December 2024.
South African Drug and Anxiety Group	Non-profit organisation	The management and maintenance of the substance abuse free telephonic number and provide assistance to service users.	Yes	1 897	1 843	Expenditure includes funds rolled over from the 2022/23 financial year.
South African Council on Alcoholism and Drug Dependence	Non-profit organisation	The monitoring of substance abuse treatment services.	Yes	1 927	1 780	Expenditure includes funds rolled over from the 2022/23 financial year.
National Shelter Movement	Non-profit organisation	The provision of capacity-building of VEP national bodies and affiliates on issues of policies, programmes and legislation.	Yes	705	821	Expenditure includes funds rolled over from the 2022/23 financial year.
Lifeline South Africa	Non-profit organisation	The provision of an intersectoral helpline in response to violence against victims of crime.	Yes	2 226	2 173	Unspent funds will be used to finalise remaining activities until August 2024.
National Institute Community Development and Management	Non-profit organisation	The provision of early trauma support following incidences of violence, particularly against women and children.	Yes	1 326	1 326	N/A

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Department comply with S38(1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Autism South Africa	Non-profit organisation	The provision of capacity, empowerment and service delivery to affiliated organisations and beneficiaries, to facilitate research and development of best practice models to inform services to persons with disabilities and to facilitate and coordinate advocacy and awareness programmes on the rights of persons with disabilities.	Yes	1 577	1 656	Expenditure includes funds rolled over from the 2022/23 financial year.
DeafBlind South Africa	Non-profit organisation	The provision of capacity, empowerment and service delivery to affiliated organisations and beneficiaries.	Yes	1 729	1 660	Expenditure includes funds rolled over from the 2022/23 financial year.
UHAMBO Foundation	Non-profit organisation	Research and development of best practice models to inform services to person with disabilities.	Yes	1 400	1 480	Expenditure includes funds rolled over from the 2022/23 financial year.
NICRO	Non-profit organisation	Capacity-building, implementation of comprehensive integrated social crime prevention programmes and implementation of reintegration and after care services.	Yes	1 685	1 514	Expenditure includes funds rolled over from the 2022/23 financial year.
South African Council for Social Service Professions	Statutory body	The strengthening of the functioning of Council, Boards and Committees through promotion of corporate governance practices and expanding access to education, training and development interventions for SPPs.	Yes	2 307	2 307	N/A
South African Older Persons Forum	Non-profit organisation	The promotion and protection of the rights, safety and well-being of older persons.	Yes	1 612	1 507	Remaining activities are expected to be finalised by 31 October 2024.
National Institute Community Development and Management	Non-profit organisation	The provision of comprehensive services to older persons suffering from Alzheimer's and related illnesses, and mentoring of upcoming organisations rendering services to older persons.	Yes	1 489	2 481	Expenditure includes funds rolled over from the 2022/23 financial year.
Families and Marriage Society South Africa	Non-profit organisation	The strengthening, supporting and preserving of families through transformed and sustainable services and programmes.	Yes	1 095	1 045	Remaining activities are expected to be finalised by 30 September 2024.
Suid Afrikaanse Vroue Federasie	Non-profit organisation	The strengthening, supporting and preserving of families through transformed and sustainable services and programmes.	Yes	780	676	Remaining activities are expected to be finalised by 31 March 2025.
Cape Development and Dialogue Centre Trust (CDDC)	Non-profit organisation	The provision of prevention and early intervention services to orphans and vulnerable children.	Yes	1 423	1 396	Remaining activities are expected to be finalised by 30 September 2024.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Department comply with S38(1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Suid Afrikaanse Vroue Federasie	Non-profit organisation	The provision of child protection services.	Yes	924	909	Remaining activities are expected to be finalised by 30 September 2024.
Childline South Africa	Non-profit organisation	The provision of child protection services.	Yes	1 516	1 712	Expenditure includes funds rolled over from the 2022/23 financial year.
RATA	Non-profit organisation	The provision of prevention and early intervention services to orphans and vulnerable children.	Yes	847	793	Remaining activities are expected to be finalised by 31 December 2024.

Funded NPOs are monitored through quarterly performance and financial reports, as well as the submission of audited annual financial statements. The expenditure reported above is based on the consolidated progress reports for the year ended 31 March 2024. The expenditure is still subject to review.

The table below reflects the transfer payments which were budgeted for in the period 1 April 2023 to 31 March 2024, but no transfer payments were made.

Name of transferee	Type of organisation	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
Child Welfare South Africa	Non-profit organisation	For the provision of child protection services.	697	0	Funds have been withheld.
Khulisa Solutions	Non-profit organisation	For implementation of comprehensive integrated social crime prevention programmes and diversion services.	1 650	0	Contract terminated
Walvis Bay	International organisation	Subsidise the social work post of the Kerklike Maatskaplike Raad organisation and the residence of South African citizens in the House of Palms Old Age Home in Walvis Bay.	443	0	Investigation under way to determine if there are any South African beneficiaries remaining at the two organisations.
United Nations International Drug Control Programme	International organisation	Membership fees	26	0	Verification of banking details was pending.

12 CONDITIONAL GRANTS

The department did not receive any conditional grants during the period under review.

13 DONOR FUNDS

Donor Funds Received in Cash

Table 1: German Development Bank

Name of donor	German Development Bank (KfW)
Full amount of the funding	€9 900 000.00
Period of the commitment	2012 to December 2022. A no-cost extension has been approved
Purpose of the funding	The building of 17 community care centres (CCCs) in the North West, Limpopo and KwaZulu-Natal provinces
Expected outputs	To complete the remaining work in the North West and Limpopo provinces: ● Finalise the construction of the three Limpopo CCCs ● Attend site inspection meetings to monitor progress on construction ● Facilitate payments of the contractor for the Limpopo CCCs ● Once the three Limpopo CCCs have been completed, facilitate: ○ handover of the completed CCCs to the Limpopo province ○ signing of the Asset Transfer Certificates for the three Limpopo CCCs. ○ submission of VAT Claims to SARS 5 ○ appointment of the service provider to audit the donor funds (disposition account).
Actual outputs achieved	The construction of the three Limpopo CCCs (in Taueatsoala, Mamvuka and Elandsdoorn) is completed ● Achieved practical completion of Mamvuka on 7 September 2023 ● Completed screen wall and fence of Taueatsoala on 20 December 2023 ● Handed CCC over to the province on Friday 23 February 2024 ● Officially opened by the Deputy Minister on 28 September 2023 (Taueatsoala CCC), 20 November 2023 (Mamvuka CCC) and 28 February 2024 (Elandsdoorn CCC) ● Received VAT refund of R1,578,337.21 from SARS on 7 September 2023 KfW has approved the request to conduct the audit at the end of the project in March 2024
Amount received (R'000)	8 015
Amount spent by the department (R'000)	8 015
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	Quarterly reports, annual Audited Financial Statements and reports, and random donor site visits

PART B: PERFORMANCE INFORMATION

Table 2: USAID

Name of donor	USAID
Full amount of the funding	\$12 000 000
Period of the commitment	01 October 2019 to 30 September 2026
Purpose of the funding	Implementation of Government-to-Government (G2G) project. The project's goal is to strengthen the DSD's capacity to scale up the implementation of primary prevention of sexual violence and HIV activities among children and youth and reduce incidence of HIV and AIDS through social and behaviour change programmes (SBC). This is done using the HIV prevention programmes YOLO (You only live once) for 15–24 years, ChommY for 10–14 years, Let's Talk for 13–19 years and their caregivers, and other gender-based violence and HIV prevention interventions for children and youth. These SBC programmes focus on empowering young people with knowledge and skills to prevent and reduce risky sexual behaviours for South African youth; and link them to the 95-95-95 clinical cascade.
Expected outputs	Provision of quality core package of services to 70 000 vulnerable children from the contracted NPOs in Gauteng (Johannesburg and Ekurhuleni), KwaZulu-Natal (eThekweni, Zululand and UThukela), Western Cape (Cape Town), North West (Bojanala, Dr Kenneth Kaunda and Ngaka Modiri Molema), Free State (Thabo Mofutsanyane and Lejweleputswa) Capacity-building of facilitators to implement YOLO and ChommY HIV prevention programmes and HIV testing guidelines NPOs implementing G2G Project in G2G provinces: Gauteng (GP), KwaZulu-Natal (KZN), Western Cape (WC), North West (NW), Free State (FS), Eastern Cape (EC) and Limpopo (LP)
Actual outputs achieved	- Provision of core package of services to 99 359 vulnerable children in G2G provinces - HIV assessment of beneficiaries to facilitate the 95-95-95 initiative (95% knowing HIV positive status; 95% put on treatment; 95% viral load suppressed) - Provision of support for implementing the Community Based Intervention Monitoring System (CBIMS) at contracted NPOs - Continuous project data capturing on CBIMS database - Data verification at NPOs - Reporting of services provided on USAID reporting platform DATIM - Development of semi-annual assessment reports on the implementing NPOs - Conceptualisation of the new G2G project to care for children living with HIV and children who experienced GBV - Initiation meetings with North West and Western Cape on provincial expansion of the project - Development of the COP 2023/24 work plan - Planning workshop with the G2G provinces - Reporting to USAID on human resources and finances - Contracted NPOs assessment reports - Progress reporting site visits to the contracted NPOs - Development of year-end NPOs reports - Reporting of overall project achievement - Development of the 2023/24 NPO work plans - Assessments of contracted NPOs progress made - Providing NPOs with award letters detailing targets and financial allocation for the year 2023/24, aligning with USAID financial year - Approval granted by DDG for a call for proposals to NPOs to be contracted to implement G2G project. It was advertised on the DSD/PDSD social media platforms in June. - Meetings held with the DM, MECs and HODs (NW, GP, FS, WC and KZN) to inform them of the project geographic expansion, and financial/target allocations. - Fast tracking strategy implemented in FS Lejweleputswa. - Facilitators trained on Let's talk, which became one of the layering DREAMS programme for beneficiaries. - Assessed applications submitted for the implementation of G2G project in GP, KZN, FS and EC. - Contracted NPO assessments, quarterly reports and financial recommendations - SIMS and RDQA trainings for G2G officials, and Gauteng provincial and district officials. - Development of 2023/24 work plans by provinces - Conducting of LIVES (Listening, Enquire, Validate, Enhance, Support) training for Gauteng DSD, NPOs and PMU officials. - Development of Annual Report - Workplans submitted for approval - Provincial meetings held in preparation for the project geographic expansion - RISIHA and ChommY training for KZN DSD officials - NW HIV Testing services training for ChommY facilitators

Table 2: USAID (continued ...)

Amount received (R'000)	42 489
Amount spent by the department (R'000)	58 162
Reasons for the funds unspent	There were no unspent funds at the end of the financial year. However, the project had a deficit of R24.603 million, which was claimed from USAID before the end of the financial year. It is expected that the funds will be recovered in the first quarter of the 2024/25 financial year.
Monitoring mechanism by the donor	Quarterly and annual programme and financial expenditure reporting to donor and Steering Committee meetings

Table 3: Criminal Asset Recovery Account: Services to Victims of Crime

Name of donor	Criminal Asset Recovery Account (CARA)
Full amount of the funding	R50 000 000
Period of the commitment	From October 2017 to March 2023
Purpose of the funding	Provision of financial assistance to institutions rendering services to victims of crime
Expected outputs	Improved access to care support and prevention, and interventions through strengthened support for those involved in response and prevention, including civil society stakeholders.
Actual outputs achieved from 01 April 2022 to 31 March 2023	- As at 31 March 2024, the project has funded 169 civil society organisations since it began. - Since the start of the project, R40 million transferred to CSOs and R4 181 500 paid for mentoring of emerging CSOs from the R5 million which was set aside for this objective. R5 million paid for implementation of the integrated media campaign in partnership with GCIS. - Two service providers appointed to implement the mentoring and coaching programmes for 78 CSOs in eight provinces. By 31 March 2024, R4 181 500 paid to these service providers for mentoring CSOs, of which R712 500 was paid in the 2023/24 financial year.
Amount received (R'000)	R1 531 (Amount rolled over from the 2022/23 financial year)
Amount spent by the department (R'000)	R713
Reasons for the funds unspent	The quotations from the two service providers appointed for mentoring were cheaper and, therefore, there was a saving of R818 500 from the R5 million allocated for this objective.
Monitoring mechanism by the donor	Quarterly reports to the donor

Table 4: Criminal Asset Recovery Account: Gender Based Violence and Femicide

Name of donor	Criminal Asset Recovery Account (CARA)
Full amount of the funding	R50 000 000
Period of the commitment	From December 2019 to March 2023
Purpose of the funding	Supporting services to victims of gender-based violence and femicide.
Expected outputs	- Improved access to justice of victims and violence including survivors of gender-based violence (GBV) and femicide. - A better-informed public about laws, rights and responsibilities underpinned by a public education campaign around survivors' (women, children and LGBTQI) rights under the law, challenging the use and acceptability of GBV, patriarchy and related forms of discrimination and inequalities. - Increased access to economic opportunities that set out to meaningfully addressed women's social and economic vulnerability.
Actual outputs achieved	As at 31 March 2023, a total of R39200 000 has been transferred to CSOs since the start of the project: - R20 350 000 as first tranche payments to 128 CSOs - R18 850 000 as second tranche payments to 110 of these CSOs As part of the second call for proposals, 36 new CSOs were approved for funding, and contracts were signed between these CSOs and the NDA, for a total amount of R8.1 million. Transfer of funds to the CSOs has been put on hold due to identified of risks and possible non-compliance.
Amount received (R'000)	R10 800 (Rolled over from the 2022/23 financial year)
Amount spent by the department (R'000)	R0
Reasons for the funds unspent	R8 100 000 was committed for transfer to 36 new CSOs as approved. The funds were withheld while the claims of risks and non-compliance are under review. R2 350 000 is committed for payment of second tranches to the 18 funded CSOs, which are still undergoing performance reviews for compliance.
Monitoring mechanism by the donor	Quarterly reports to the donor



**Table 5: European Union**

Name of donor	European Union
Full amount of the funding	R20 009 464.60
Period of the commitment	From 2019 to November 2024
Purpose of the funding	Implementation of the Gender Equality and Women Empowerment (GEWE) project
Expected outputs	• To develop a GBV integrated service delivery model that strengthens relationships, networks and referrals across service providers facilitating efficient delivery of minimum core package of services in GBVF intervention spaces. • To escalate responsiveness to the needs of communities through the provision of the GBV minimum package of services including trauma and healing services within the District Development Model in the identified 30 GBV hotspots. • To pilot the provision of economic empowerment activities as an element of reintegration and aftercare services for GBV within Khuseleka One Stop Centres, selected shelters and treatment centres. • To support the operationalisation of four state-owned shelters for victims of GBV in four districts without any shelter services. • To conduct two impact evaluations for two GBVF prevention programmes including the GBVF ambassadors programme, to apply learnings and consequently strengthen GBVF interventions in the country.
Actual outputs achieved	• The GEWE Business Plan was developed and approved by the donor. • Approval was granted for appointment of an implementing partner. • A call for proposals for the appointment of an implementing partner was advertised in February 2024 and closed in March 2024. • A request for approval of the extension of the project has been submitted to the donor.
Amount received (R'000)	R20 009
Amount spent by the department (R'000)	R0
Reasons for the funds unspent	• Delays in the approval processes for business plan and transfer of funds to DSD. • Delays in the finalisation of the procurement processes for the appointment of implementing partner for this GEWE Project.
Monitoring mechanism by the donor	Quarterly progress reports to the Project Steering Committee

Donor Funds Received in Kind

Table 1: DG Murray Trust

Name of donor	The DG Murray Trust
Full amount of the funding	R3 500 000.00
Period of the commitment	01 July 2019 to April 2025
Purpose of the funding	To implement a financing approach towards the sustainability of social welfare services for the most vulnerable
Expected outputs	● Finalise the Sector Funding Policy (SFP), including the prioritisation framework, and pilot the implementation thereof in the selected province(s). ● Conceptualise a platform for delivering an integrated package of core social welfare services and develop a costing model for delivering such a package of services. ● Review and develop a monitoring framework for the social welfare services sector. ● Support the integration of NPO data management systems into national and provincial DSD systems. ● Identify other areas of work with systemic blockages that may require external support.
Actual outputs achieved	● Development of SFP Guidelines 2 and administrative tools ● Ongoing development of training manual for Guideline 2. ● Inception report on integrated platform. ● Development of an e-learning platform. ● Development of training material, including infographics and video content. ● Ongoing development of training materials. ● Engagement with Legal Services on contents of Guideline 1 (Planning and budgeting) ● Engagement with NT on Guideline 1 (Planning and budgeting). ● Consolidation of Guidelines. ● Uploading content into the e-learning platform. ● Capacity-building in Provinces on SFP.
Amount received (R'000)	799
Amount spent by the department (R'000)	799
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	Quarterly reports to DGMT Board of Trustees.

Table 2: DG Murray Trust

Name of donor	The DG Murray Trust
Full amount of the funding	R1 000 000.00
Period of the commitment	Awaiting Line Function
Purpose of the funding	Implementation of the Special Housing Needs Policy.
Expected outputs	• Develop grant calculator • Develop training material • Train NDSD / PDSD staff • Develop the standard operating procedure (SOP) for processing Special Housing Needs funding applications • Prioritize nine pilot projects
Actual outputs achieved	• Grant calculator developed. • Training material developed. • National / provincial DSD staff trained • Initial selection criteria prepared • Meeting for the development of the SOP held. • 1st draft of the SOP for processing Special Housing Needs funding applications developed • Nine pilot projects prioritised
Amount received (R'000)	250
Amount spent by the department (R'000)	250
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	Monthly progress reports

Table 3: Japan International Corporation Agency

Name of donor	Japan International Cooperation Agency (JICA)
Full amount of the funding	The amount is not specified
Period of the commitment	25 August 2021 to 24 December 2023
Purpose of the funding	Capacities of DSD for the development of respite care services for children with disabilities and their families.
Expected outputs	• Output 1: Identify a practical methodology to empower children with disabilities and their families. • Output 2: Identify a practical methodology to improve accessibility to services in communities for children with disabilities and their families. • Output 3: Identify areas of capacity development of DSD officials for implementing the identified practical methodologies in Output 1 and 2. • Output 4: Develop a direction for concrete cooperation between South Africa and Japan based on the Output 1 to Output 3.

Table 3: Japan International Corporation Agency (continued ...)

Actual outputs achieved	The Department of Social Development has engaged in international cooperation with Japan International Cooperation Agency (JICA), via their offices based in South Africa, towards developing best practice models for persons with disabilities. A partnership was fostered since 2007, and the focus was on Disability Empowerment and Mainstreaming (DEM) within the South African context. Training and capacity building was conducted with various stakeholders nationally in all nine provinces. Pilot projects were also facilitated in four provinces towards the development of best practice models. Following collaboration with JICA and the four provinces, interest was expressed in developing respite care for children with disabilities. Discussions between the Department and JICA led to the selection of Mpumalanga and Northern Cape as study sites for the project on the development of respite care services for families of children with disabilities. The project site for Northern Cape is Upington, Dawid Kruiper Local Municipality within ZF Mgcawu district; and for Mpumalanga is Khumbula, Mbombela Local Municipality within Ehlanzeni district. Subsequent to that, Guidelines on Respite Care Services to Families of and Persons with Disabilities was developed and approved in the 2020/21 financial year. The Directorate Services to Persons with Disabilities and JICA are then facilitating the development of methodologies and approaches on respite care services, are been implementing in the two selected study sites. In FY2022, models of respite care to be delivered and potential NGOs as respite care service providers were identified in respective project site through various activities, including: ● Establishment of platform and working groups ● Baseline surveys ● Development of activities plans by the working groups ● Empowerment workshops for parents of children with disabilities ● Capacity-building workshops for the working groups ● Capacity-building workshops for the parents In FY2023, the models of respite care services were identified, and stakeholders were capacitated to implement these services in the project sites through capacity-building workshops on respite care services for social workers, service providers, supervisors and caregivers. In total, 107 persons participated in the following workshops: ● 17–21 July in Mbombela ● 31 July–4 August in Upington ● 10–12 October in Upington ● 18–20 October in Mbombela The hand-over meetings of the progress report on the DSD/JICA respite care services project took place at the project sites (28 November in Mbombela and 30 November in Upington). The purpose of the meeting was to report the project achievements (2021–2023) and discuss 2024/2025 plans. In total, 72 various stakeholders from political heads (including the MEC of DSD Northern Cape, and the Chief Directors of both provinces and national) to service users at local municipality levels (including parents of children with disabilities). Respective achievements and plans were presented by national, province and the identified NPOs (the working group members). In December 2023, the focus was on finalising and disseminating the deliverables of the respite care services project (2021–2023). The final report was submitted to the DM office, the DG and the DDG in National DSD. The data of deliverables was saved on 150 USB memory sticks and shared with all nine provincial DSD and different directorates of National DSD. The deliverables are the final report and the materials of the conducted workshops. All activities and the payment for the project activities were completed by 11 December 2023, and the project office in the National DSD closed on 14 December 2023.
Amount received (R'000)	327
Amount spent by the department (R'000)	327
Reasons for the funds unspent	The budget was spent as planned.
Monitoring mechanism by the donor	The JICA Advisor has been dispatched to the National DSD and assists DSD officials in implementing and monitoring of the project.

Table 4: UNICEF

Name of donor	UNICEF
Full amount of the funding	R124 402.62
Period of the commitment	10 to 12 May 2023
Purpose of the funding	Technical support for study tour to Mexico on "Global promotion of best practices for children in migration"
Expected outputs	South-to-South collaboration between South Africa and Mexico on the best practice for children in migration in both countries.
Actual outputs achieved	The South African delegation presented the status quo in responding to children on the move in the following manner: • Current amendments of the Children's Act to include unaccompanied and separated migrant children (USMC). • Policies and procedures to be followed when assisting USMC, options available for care and protection of USMC, development of alternative care system which includes migrant children. • Partnerships, collaboration, governance and coordinating structures that have been put in place to strengthen the coordination of services to children on the move. These include National Children Care and Protection Forum, National and Provincial Steering Committees dealing with USMC in South Africa, cross-border coordination forums with Zimbabwe, Mozambique, Lesotho, and Swaziland. • The South African delegation received a detailed presentation coordinated by the National Authority for the Protection of Children and Adolescents, which outlined the following: • Detailed intervention that started in 2002 when the authorities worked on the convention and agreements to mandate to deal with migration, and this later led to the start of the humanitarian response plan in responding to children on the move. • The response plan clearly outlined a multi-disciplinary approach by various stakeholders in the response chain. • The interventions focused on the following services: child protection, well-being of children, family intervention and secondary shelter services, including children's health, post-traumatic stress disorder, emotional and behavioural programmes, parental support programmes, psychosocial and educational support • Use of the Barnhouse Model to care for children that are unable to return to custodial care. • Certification process for studies to create different job opportunities, promote empowerment of refugee seekers. There are 30 000 refugee seekers supported in this programme. • SIRENNA is a programme to record migrant children for purposes of protection and follow on services rendered to them. • Conducted site visits to two facilities, Jason and Alexander Shelter and Mexican Child and Adolescent residential facilities. The establishment of the shelter was seen as a response plan to ensure children are placed in stable environments as swiftly as possible, the centre is not yet operational but will be soon according to the plans. Jason and Alexander is a centre only for children on the move. Contrary to the South African approach, which does not promote shelters for only children on the move but rather promotes and provides inclusive services to all children irrespective of nationality.
Amount received (R'000)	124
Amount spent by the department (R'000)	124
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	Report on the visit to be furnished to the donor

PART B: PERFORMANCE INFORMATION

Table 5: University of Cape Town

Name of donor	University of Cape Town
Full amount of the funding	R23 124.00
Period of the commitment	05 to 09 February 2024
Purpose of the funding	Attendance of the Training Workshop on Children on the Move.
Expected outputs	Generic stand-alone module for frontline social workers related to working with children on the move. The goal was to ensure this training package is relevant to national social work schools, and therefore any support engaging government counterparts.
Actual outputs achieved	Three officials attended training on the generic stand-alone module for frontline social workers. The following topics were discussed: • Acts, rights and standards of care for children on the move • Immediate support and care • Comprehensive case management and international coordination • Sustainable solutions
Amount received (R'000)	23
Amount spent by the department (R'000)	23
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	None



Table 6: Pernord Richard South Africa

Name of donor	Pernord Richard South Africa
Full amount of the funding	R10 300.00
Period of the commitment	21–22 March 2024 Active Ageing Programme
Purpose of the funding	Supply of bottled water at the event
Expected outputs	To supply bottled water to all participants of the Active Ageing Programme on 21–22 March 2024
Actual outputs achieved	Bottled water was supplied in the food packs given to all the older persons who participated in the Active Ageing Programme
Amount received (R'000)	10
Amount spent by the department (R'000)	10
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	Signatures were used to acknowledge invoices that the donor had issued.

Table 7: Virgin Active Club

Name of donor	Virgin Active Club
Full amount of the funding	R5 000.00
Period of the commitment	22 March 2024
Purpose of the funding	To offer aerobic exercise classes to the older persons during the Active Ageing Programme.
Expected outputs	Introducing physical activities to the older persons in the form of aerobic classes in order to increase their heart rate and increase their oxygen levels in their bodies
Actual outputs achieved	Aerobic classes were offered to the older persons that took part in the Active Ageing Programme on 22 March 2024
Amount received (R'000)	5
Amount spent by the department (R'000)	5
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	None

Table 8: PACT / USAID

Name of donor	PACT / USAID
Full amount of the funding	The amount is not specified in the agreement.
Period of the commitment	September 2013 to 06 September 2023
Purpose of the funding	To strengthen the capacity of the Department of Social Development to improve service outcomes and reduce incidence of HIV and AIDS for Orphans and Vulnerable Children, Adolescents, and Youth (OVCAI).
Expected outputs	The Government Capacity Building and Support (GCBS) Programme focuses predominantly on: Implementing and documenting the prevention and early intervention core package of services for OVCAI through the Department and its funded partner organisations. With the core package of services, capacity building and support for direct service delivery in support of the roll-out of the Guidelines for Social Service Practitioners: Enabling access to HIV services to ensure that all children access HIV testing services, those found positive access treatment, and those on treatment become virally suppressed through adherence to anti-retroviral therapy. Strengthening the capacities of social service practitioners, including social workers, social auxiliary workers, child and youth care workers, community development practitioners and community caregivers to implement the core package of services. Improving coordination and collaboration for implementation of comprehensive core package of services using data, evidence and best practices.
Actual outputs achieved	The 10-year GCBS programme strengthens the Department's capacity to improve service outcomes and reduce the incidence of HIV and AIDS among OVCAI. The programme ran from October 2013 to 6 September 2023. Between 1 April and 30 September 2023, GCBS provided direct support to 248 sites across seven districts in four provinces. Across these districts, the programme's overall FY23 target was 47 082 OVCAI and their caregivers, among which 29 188 were targeted in the comprehensive case management (CCM) programme, 14 467 for family strengthening in the DREAMS programme, and 3 427 in the Primary Prevention (PP) programme. The programme met 103% of the annual target, serving 48 367 OVCAI and caregivers: 30 577 in CCM (105% of FY23 CCM target), 3 700 PP beneficiaries completed the intervention (108% of 2023 financial year PP target), and 14 090 AGYW in the DREAMS family strengthening programme completed the intervention (97% of 2023 financial year DREAMS target). GCBS also provided ongoing mentoring and capacity-development support to social workers (SWs) and social service practitioners in the Department-funded NPOs through the programme's national and provincial teams, which consist of programme managers, provincial advisors, social work specialists, SWs, DSOs, and health referral and linkage specialists (HRLSs), coordinators, and HRLOs, who oversaw or supported the implementation of all programme activities. The GCBS workplan provided for 26 over-arching activities in the 2023 financial year. The programme implemented 100% of its 2023 financial year workplan activities during the reporting period, which varied from systems strengthening and sustainability to direct site-level support. Activities completed but where improvements could have been made were predominantly linked to accessing pre-exposure prophylaxis (PrEP) and reaching KPs. Although PrEP referrals were good under the DREAMS, family strengthening interventions were not effectively recorded. A detailed close-out report reflecting on achievements and lessons learnt has been submitted to the Department.
Amount received (R'000)	9 099
Amount spent by the department (R'000)	9 099
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	Programme Steering Committee overseeing workplan implementation includes DG, DDGs, USAID and PACT Senior Management.

14 CAPITAL INVESTMENTS

The Department's movable capital assets consist mainly of office furniture and equipment, vehicles, ICT infrastructure and equipment, and kitchen appliances.

The Department received financial assistance from the German Development Bank (KfW) to build 17 community care centres (CCCs): six in KwaZulu-Natal, six in North West and five in Limpopo, to expand the provision of a quality comprehensive package of social services and skills development programmes in rural communities.

In 2021/22, three CCCs were completed. A total of 14 CCCs (six in KwaZulu-Natal, two in Limpopo and six in North West province) were completed at a total cost of R96 905 988.38.

The three CCCs in Limpopo Province are completed, and two have already been handed over to the province.

Asset Management

The Department adheres to the Asset Management Framework issued by the National Treasury. The Department's asset register complies with the minimum information required in terms of the Asset Management Framework. During the period under review, all new assets received were barcoded and issued to the rightful owner. Yearly verification has been conducted, and the asset register updated.

The Disposal Committee, appointed by the Acting Director-General disposed of 494 assets to the value of R 2.3m during the period under review.

Maintenance

The information technology assets that are procured usually carry a vendor warranty ranging from one to three years. Once the warranties expire, the Department may enter into a maintenance agreement with the relevant vendors depending on the kind of asset and its use.

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

- The Disposal Committee held meetings on 31 August 2023 and 29 January 2024 to dispose of assets.
- A total of 494 assets have been disposed to the value of R2 339 109.73.

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

- All new assets received are barcoded and issued to the right owner. Asset verification is done yearly.

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

- 60% of the departmental assets are in good condition, 30% are in fair condition, and can still be used by the Department, and 10% are redundant assets and need to be disposed of.

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

- The department has no maintenance plan, and all new laptops come with a three-year warranty from the manufacturer.



PART

C

GOVERNANCE

1 INTRODUCTION

The Department is committed to maintaining the highest standards of governance in the management of public finances and resources. As a result, effective risk management, anti-corruption and fraud prevention, occupational safety and adherence to the Public Service Code of Conduct are fundamental for good governance, administration, improved

service delivery and performance. The frameworks, processes and procedures discussed below are core pillars of the Department's corporate governance arrangements, and are developed and implemented based on the relevant legislation and best practices.

2 RISK MANAGEMENT

The Department continues to work using the ISO 31000 risk management methodology, including its alignment with other governance frameworks related to enterprise risk management, strategy and performance management. The reviewed and approved risk policy and strategy steer the risk management function by outlining strategies to address identified risks. As part of routine practice, annual risk assessments are conducted across all business units to pinpoint potential obstacles to agreed-upon objectives and to identify opportunities stemming from recognised risks. Mitigation strategies are then developed to counter these risks, with relevant senior managers assigned key responsibilities. Additionally, an ethics policy and strategy have been developed to ensure dedicated attention to ethics management within the organisation

A risk assessment report for 2023/24 was developed and approved by both the Chairperson of the Risk Management Committee and the Accounting Officer.

The Department's Risk and Ethics Management Committee (REMC) continues to offer support and counsel to the Accounting Officer, convening quarterly to assess the Department's progress in addressing risks and to provide strategic guidance on risk management matters. Moreover,

as necessary, in-committee meetings are convened, with four external risk management committee members contributing expertise in risk management, governance, internal audit, finance and information communications technology (ICT). The Chairperson of the REMC also serves as a member of the Audit Committee, while one REMC member serves on the ICT Steering Committee and two REMC members on the DSD Loss Control Committee.

Risk management reports covering risk management-related and ethics matters are presented at the committee meetings. This allows the Audit Committee to oversee the efficacy of the risk management system and offer further advice and guidance. Internal Audit has conducted an audit on the risk management function to assess its effectiveness and suggested areas for enhancement.

Based on the implementation of the risk methodologies and the guidance provided by the Risk Unit to the Accounting Officer and management, the organisation's performance has improved, but more needs to be done to strengthen the internal control environment. The Risk Unit continues to work with Internal Control and Internal Audit to intensify efforts to enhance combined assurance endeavours.

3 FRAUD AND CORRUPTION

During the period under review, the Department continued to implement the Anti-Corruption and Fraud Prevention (ACFP) Policy, which is intended to curb all forms of corruption and fraud within the Department. The policy demonstrates the Department's attitude towards all forms of corruption and fraud by re-enforcing existing regulations aimed at the preventing, detecting, investigating and resolving corruption and fraud. It is a dynamic strategy that will continuously advance, as the Department's circumstances change. Annexure A of the policy explains the Department's ACFP Plan, while Annexure B explains the ACFP Response Plan and provides details of how the Department and its employees should respond to all incidents or suspected incidents of corruption and fraud. Annexure C of the policy sets out how staff should raise concerns with the appropriate line management, or with specifically appointed persons in the Department, where they have reasonable grounds for believing that there is fraud and corruption within the Department. Management encourages staff to raise matters of concern responsibly through the procedures laid down in the annexures. The policy will be reviewed in the next financial year.

It is the responsibility of all employees of the Department to report all incidents of corruption and fraud or similar conducts relating to actual or potential financial losses. The first step is for the employee to approach their immediate supervisor/manager. Should the manager find the complaint to be substantiated, they will consult with Internal Audit on whether the matter should be investigated internally or referred to the appropriate external body, such as the South African Police Service (SAPS). The employee should inform Internal Audit if the subject of the complaint is the employee's immediate supervisor/manager or senior management. Concerns are best raised in writing and should include: the background and history of the concern (where possible giving names, dates and places) and the reason why the individual is particularly concerned about the situation. Those who are uncomfortable with stating their concern in writing can call the Public Service Commission hotline number (0800 701 701). The earlier the concern is reported, the easier it is to take action and initiate recovery procedures where necessary.

4 MINIMISING CONFLICT OF INTEREST

Members of the Bid Committees (Specification, Evaluation and Adjudication) are required to declare their interests at the start of every meeting. Any member who declares a conflict of interest is required to recuse themselves from participating in

the meeting. All suppliers and service providers are required to submit a signed Declaration of Interest Form (Standard Bidding Document 4) indicating whether they have any interests when doing business with the State.

5 CODE OF CONDUCT

The Code of Conduct seeks to promote and maintain a high standard of professional ethics throughout the Department and the public service. The Constitution of the Republic of South Africa mandates the Public Service Commission to regulate the processes and procedures for good ethical conduct. The Code of Conduct for the Public Service, which was promulgated in 1997 and subsequently workshopped in national and provincial departments, is an important pillar for establishing good governance and ethical conduct of public servants. It also raises issues, such as respect for human rights, the rule of law, accountability, transparency in government,

personal conduct and private interest. The Code's purpose is to promote exemplary conduct, but if an employee contravenes any provision of the Code of Conduct, they shall be guilty of misconduct in term of the Disciplinary Code and Procedure for the Public Service (PSCBC Resolution 1 of 2003) and Chapter 7 of the SMS Handbook. The prescribed disciplinary processes and procedures are applicable and might result in disciplinary outcomes and the sanction of a warning, suspension without pay, demotion or dismissal if an implicated employee is found guilty of misconduct for contravening the Code of Conduct.

6 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The DSD Health, Safety and Environmental (HSE) management system was implemented and is continuously monitored and maintained. It guides the Department in identifying and controlling its health, safety and environmental risks; reducing potential accidents; achieving compliance with health, safety, and environmental legislation; and continuously improving its performance.

To ensure that the system functions effectively and with purpose, the following is in place:

- An Occupational Health and Safety (OHS) Committee with roles and responsibilities.
- Safety, Health and Environmental representatives (SHE Reps) who were appointed in writing as members of the OHS committee and equipped with resources and skills through training (SHE Rep training).
- SHE Reps who are each assigned specific areas of responsibility.
- OHS committee meetings that are held quarterly.

A documentation system controls the creation, distribution and maintenance (updating) of all elements of the HSE management system. The required documentation was identified and developed in consultation with all interested and affected parties. The following documents were formulated:

- HSE policy.
- Emergency preparedness and response plan.
- Emergency evacuation mock drill form (observer's report form).
- Incident reporting, investigation and recording procedure.
- Incident register.
- Smoke Free Policy.
- Summary of incident management diagram.
- SHE Reps inspection checklist.
- OHS Committee terms of reference.
- Hazard identification risk assessment standard operating procedure.
- DSD Baseline risk assessment.
- Legal appointment letters.
- First aid kit checklist.

Emergency planning and response is an integral part of implementing the management system and comprises both proactive and reactive elements. Proactive elements are measures taken before an emergency occurs, while reactive elements are measures used when an emergency is occurring or has occurred. Emergencies could include fire, explosion, flooding, chemical spill into the environment, the outbreak of an epidemic, structural collapse, hostage situation, bomb threat, terrorism, active shooter, violent strike action and natural disasters (e.g., tornados, earthquakes and hurricanes). As part of the Department's proactive emergency planning and response, the following actions were undertaken:

- Simulated fire emergency mock drill.
- Placed posters with emergency safety awareness information/tips in selected areas of the facility.
- Inspected, maintained and serviced firefighting equipment.
- Refilled first aid kits.
- Procured SHE Reps safety gear.

An important part of monitoring the HSE management system are workplace inspections, which are undertaken monthly by the OHS Practitioner along with the SHE Reps to demonstrate conformance to the requirements of the HSE management system and to control and improve the performance of the system.

The success of the HSE management system is dependent on HSE knowledge, attitudes and the behaviour of workers. Therefore, it is important to have proper HSE awareness/promotion and training processes in place. Internal communication on HSE is ensured through:

- HSE policies and procedures.
- Information session webinars.
- OHS Committee quarterly meetings.
- HSE formal training.
- Legal wall charts e.g., OHS Act wall chart.
- Employee (OHS Committee members) involvement in the development and review of policies and procedures to manage risks.
- Placement of visual media posters with HSE awareness information at selected areas in the workplace and other media such as videos and monthly bulletins.

7 PORTFOLIO COMMITTEE

For the year under review, the Department appeared before the Portfolio Committee as follows:

Date of the meeting	Purpose of the meeting	Resolutions and recommendations
14 Feb 2024	Older Persons Amendment Bill: analysis of submissions & public hearings report	- The committee expressed concern about the clause allowing the removal of older persons without consent or a court order, and recommended safeguards to protect privacy and personal information. They advocated that there should be consequences for improper conduct of care and negligence of older persons and urged the state to enforce consequence management for those mistreating older persons. - Ilitha Labantu welcomed the establishment of indicators and benchmarks to assess service effectiveness and efficiency, and applauded the identification of harmful traditional practices, such as witchcraft accusations, which endanger the welfare, health, life and dignity of older persons. They advocated for intergenerational dialogue and solidarity within communities and emphasised the importance of protecting older persons' rights regarding property and inheritance. The submission recommended strengthening penalties for non-compliance and providing reporting mechanisms for older persons to report abuse. - The National House of Traditional Leaders supported the Bill but recommended the inclusion of verbal and emotional abuse in the definition of elder abuse. A concern was raised about the means test disqualifying deserving older persons, based on their spouses' status, and suggested its removal or modification. - Western Cape government raised concerns about the implementation and costing of the Bill, questioning if the additional costs were adequately considered. In a recommendation, it was highlighted that the implementation of all proposals in the Bill must be subject to formal costing. Adequate additional resources must be provided to provincial departments to perform these functions - Stakeholders also emphasised the importance of accountability for caregivers, protection against elder abuse, and access to healthcare for older persons - Committee members agreed to await oral submissions before posing questions, emphasising the importance of thorough consideration. They commended the Department's efforts, while acknowledging that there were areas needing improvement.



Date of the meeting	Purpose of the meeting	Resolutions and recommendations
21 February 2024	Older Persons Amendment Bill: public hearings & provincial public hearings report	● Stakeholders welcomed the Bill, applauding improvements, such as the refined definition of “older persons abuse” now including any person over 60 years irrespective of gender, thus addressing concerns regarding access to benefits for older men and the emphasis on integrated service provision, along with mechanisms to ensure accountability. ● Ilitha Labantu particularly commended the Bill’s provision allowing for the removal of individuals from care facilities if their dignity and rights are violated, without necessitating a court order. They also appreciated the standardisation and professionalisation of caregiving, which now requires licensure and training for caregivers. ● The following concerns and responses were raised: ○ Lack of coordination between the DSD and law enforcement, hindering effective responses to crimes against older persons. ○ Requiring facilities to be registered or led by a “juristic person,” potentially shielding individuals from liability. It was suggested that removing the reference to juristic persons or trusts from the definition could address many of the concerns raised. ○ Implications of the caregiver definition proposed in the Bill, enquiring whether it sufficiently encompassed the diverse spectrum of caregiving scenarios, and seeking insights on balancing advantages and disadvantages in distinguishing between natural persons and juristic entities in service provision. ○ Training requirements for caregivers, particularly within home-based care settings, prompting a discussion on the necessity and accessibility of training programmes for informal caregivers. It was responded that while the amendment aims to ensure caregivers are appropriately trained, narrowing the definition could lead to interpretive difficulties within the text of the Act. definition of caregiver in the Bill still encompasses any person providing care and support services, regardless of whether it is in a formal facility setting or at home. ○ Suggestions on how to strike a balance to mitigate the advantages and disadvantages be regarding the distinctions between natural persons and juristic persons and trusts. ○ Need for careful deliberation by the Committee and legislature to ensure that the amendments serve the best interests of older persons while maintaining accountability and effectiveness in service provision. ○ There is a gap in the Bill regarding the definition of “family care.” Addressing this gap by defining family care would provide clarity on the role of informal caregivers within the context of the legislation. ○ Clarification on whether fire safety regulations on compliance in old-aged care facilities originate from municipalities or the national government. ● COSATU supported the Bill’s progressive approach to ageing, highlighting provisions acknowledging older persons’ right to comfort and broadening the definition of abuse. They welcomed measures for temporary care following abuse incidents. However, Mr Rademeyer lamented funding cuts to care facilities, citing substantial expenditures to meet municipal fire standards. He argued against burdening facilities with regulations, advocating for increased grants to support their operations. ● Members engaged with those who made oral submissions, raising pertinent questions, and seeking clarification on various aspects of the proposed legislation. Members queried the implications of the caregiver definition proposed in the Bill, inquiring whether it sufficiently encompassed the diverse spectrum of caregiving scenarios, and sought insights on balancing advantages and disadvantages in distinguishing between natural persons and juristic entities in service provision. ● Other members raised concerns about the training requirements for caregivers, particularly within home-based care settings, prompting a discussion on the necessity and accessibility of training programmes for informal caregivers.

PART C: GOVERNANCE

Date of the meeting	Purpose of the meeting	Resolutions and recommendations
28 February 2024	Older Persons Amendment Bill: DHS & SALGA input	- The Deputy Minister of Human Settlements outlined the collaboration between the Department of Human Settlements (DHS) and Department of Social Development (DSD) in addressing concerns related to property transfer and housing norms for older persons - Members of the Committee raised the following concerns: - Corruption allegations, housing allocation discrepancies, and safety measures for older persons, prompting detailed responses from DHS representatives. - Clarification on various issues, including accountability mechanisms for property transfers, the integration of safety features in housing projects, and the inclusion of older persons in decision-making processes. DHS officials provided insights into their efforts to address these concerns, emphasising collaboration with stakeholders and ongoing legislative reviews to enhance protections for older persons. - DHS committed to combating corruption and urged Committee members to provide names of officials within the Department involved in fraudulent activities, so that appropriate action could be taken. - DHS prioritised elderly applicants in housing allocation using available funding. - The Committee commended the DHS's commitments and urged continued vigilance in addressing challenges faced by older persons, land allocation for elderly facilities, and the effect of municipal billing practices on pensioners.
08 March 2024	Older Persons Amendment Bill: SAPS & DoH response to public submissions (with Ministry); CET programmes for the elderly	- The Portfolio Committee on Social Development (the Committee) convened virtually to engage the Department of Police (SAPS) and the National Department of Health (NDoH) on their responses to public submissions on the Older Persons Amendment Bill [B11 – 2022]. The Department of Higher Education and Training (DHET) briefed the Committee on programmes offered at community colleges for adults. The Minister of Social Development and the Deputy Minister of Police were in attendance. - The key concern that emanated from public hearings across the country, was the long queues that older people are subjected to, in their efforts to obtain services at public clinics, hospitals and SASSA offices. - Older people often feel disrespected and have reported incidents of ill-treatment by officials at public facilities. To address the quality of services at healthcare facilities, the NDoH in collaboration with provinces, has been implementing the Ideal Clinic/Ideal Health Facility Framework. A complaints mechanism was instituted at facilities and a national toll-free call number had been activated. The SAPS advised that police officers would be sensitised to older person abuse. Existing instructions and guidelines provide for ethical and professional conduct to respect and preserve the dignity of older persons. Queue management instructions provide for the elderly to be assisted out of the queue.

Date of the meeting	Purpose of the meeting	Resolutions and recommendations
12 March 2024	Older Persons Amendment Bill: DSD response to public submissions	● The Portfolio Committee on Social Development convened virtually to hear responses to public comments regarding the Older Persons Amendment Bill. The Department of Social Development (DSD) presented a briefing on its responses to the concerns raised during public hearings. ● The Department emphasised the importance of adhering to gazetted provisions and procedural integrity, focusing solely on matters within the Department's mandate. He highlighted the influence of international and foreign law on interpretation of legislation, emphasising alignment with human rights principles. Additionally, the Department discussed legal distinctions between natural and juristic persons, addressing concerns regarding liability and estate devolution. Specific legislative provisions concerning substance abuse and domestic violence were also clarified, outlining criteria for involuntary treatment and the process of applying for protection orders. ● DSD led a review of public submissions on the Bill and the Department's responses, affirming the Department's commitment to aligning proposed amendments with the needs and rights of older persons in South Africa. Various stakeholders, including Prof Kitty Malherbe, the Rand Aid Association, Ilitha Labantu, the Western Cape Government, COSATU, Dear South Africa, Mr Johan Rademeyer, the Catholic Parliamentary Liaison Office, and Timeless Care For Seniors, provided feedback and recommendations. ● Key discussions of the submissions centred on clarifying terminology, promoting inclusivity and accessibility in service provision, addressing concerns about discrimination and feasibility, and incorporating recommendations for refining language and strengthening penalties for non-compliance. The Department also acknowledged broader issues related to service delivery and pledged to escalate relevant concerns to other departments. Overall, stakeholders' input was appreciated, and the Department committed to addressing concerns and recommendations in the Bill, regulations, and implementation processes to ensure the well-being and dignity of older persons in South Africa.
13 March 2024	Older Persons Amendment Bill: motion of desirability & deliberation	● The Portfolio Committee on Social Development convened virtually to discuss the responses provided by the Department of Social Development (DSD) to public inputs on the Older Persons Amendment Bill. The meeting commenced with an overview of the national public hearings conducted on the Bill, summarising the concerns raised by stakeholders including Ilitha Labantu, Professor Kitty Malherbe, COSATU, and Mr Johan Rademeyer. ● Committee Secretary, presented a draft report on the Older Persons Amendment Bill, outlining the extensive consultation process undertaken by the Committee and the objectives of the Bill. The Committee adopted a motion of desirability to proceed with further deliberations. ● The DSD responded to the submissions made on the Bill. The DSD supported recommendations such as adding the SA Older Persons Forum in the background section of the Bill and including family members in the caregiver definition. Amendments were proposed to clarify definitions and enhance protection for older persons. ● During deliberations, the Committee raised questions about unresolved issues from previous debates and the involvement of relevant agencies like SASSA. The Committee was told that specific clauses would be addressed in subsequent meetings during clause-by-clause consideration.

Date of the meeting	Purpose of the meeting	Resolutions and recommendations
20 March 2024	Older Persons Amendment Bill: proposed amendments; DSD 2023/24 Quarter 2 & 3; with Minister	• The Committee considered and adopted its proposed amendments (A-List) of the Older Persons Amendment Bill after discussion on the definitions, implementation strategies, and penalties for infringements under the Act. • The Department of Social Development (DSD) presented the second and third quarter reports for 2023/24 on its performance against predefined objectives, highlighting achievements and challenges across various programmes. It elaborated on expenditure patterns, programme performance indicators, and notable improvements in social grant transfers and policy development initiatives • Committee members asked about the NDA strategy approval; projected timeline for the implementation of social security policies; slow uptake of social relief grants; discrepancies in grant administration; irregular expenditure; support for children ageing out of grants; and the absence of anti-gangsterism programmes in the Western Cape. • In response, DSD spoke about policy formulation processes, financial management practices, and challenges encountered in programme implementation. Mr Brenton Van Verde from SASSA addressed concerns regarding grant uptake and payment processing, outlining ongoing efforts to enhance efficiency and combat fraudulent activities.
27 March 2024	Older Persons A/B: adoption; Committee Legacy Report; Committee Report on DSD Quarterly Performance	• The Committee approved its proposed amendments to the Older Persons Amendment Bill. The Parliamentary Legal Adviser guided the Committee through the clause-by-clause consideration of the B version of the Bill with its amendments incorporated that ensured alignment with stakeholders' feedback and legislative objectives. The B-List amendments addressed various definitions and transitional provisions, ultimately leading to the adoption of the Bill and related reports. • The Committee further deliberated on its legacy report for the 2019-2024 period, highlighting its response to emerging social challenges amidst the COVID-19 pandemic. Areas of focus included employment creation, child protection, and NPO support. Challenges such as SASSA office queues, child abuse, and grant misuse were addressed, emphasising the need for proactive intervention and legislative alignment. • Committee Content Advisor presented quarterly performance and expenditure reports for 2023/24, covering first, second, third, and fourth quarters. Deliberations revealed concerns over delayed policy implementation, grant uptake issues, and program expenditure discrepancies. The Committee sought clarification on NPO compliance, grant payment delays, and the alignment of funding models with core mandates.

Date of the meeting	Purpose of the meeting	Resolutions and recommendations
03 May 2023	Department of Social Development 2023/24 Annual Performance Plan, with AGSA input & Ministry present	• The Committee received a presentation from the Auditor-General of South Africa (AGSA) on the review of the DSD's Annual Performance Plan for the 2023/24 financial year and material irregularities. The DSD also presented its Annual Performance Plan for the 2023/24 financial year. • The AGSA called for a culture shift at the DSD, where proper consequence management was done, and investigations were concluded on time. The AGSA informed the Committee of recommendations and commitments the DSD executive had agreed to implement. The AGSA recommended that the DSD timely finalisation of the outstanding cases, consequence management had to be implemented and the necessary actions had to be implemented as found in the investigations' report. • The AGSA briefed the Committee on three material irregularities from the 2022/23 financial year. There were payments for social services that were not rendered to the value of R74 million; payments made where no goods and services were received and an overpayment of R316 million to the service provider. Both those material irregularities were in their final stages of being processed. The last material irregularity was a payment of the R350 SRD grant to ineligible beneficiaries. • For the 2023/24 financial year, the AGSA informed the Committee that the DSD's management had not adequately reviewed the draft Annual Performance Plan against the prescribed framework. • The DSD briefed the Committee on its Annual Performance Plan. The Department said that APP was the last instalment of its efforts towards fulfilling the commitments of the 6th Administration. In the current financial year, the DSD would fast-track among others the; White Paper on Social Welfare and requisite standards, Comprehensive Social Security Policy Framework, Policy for Social Insurance for Atypical and Own Account Workers and policy to cover 18–59-year-olds. • The DSD would also work with SITA and the DPME towards establishing an inclusive social protection register for the vulnerable. The Department informed the Committee what its focus areas would be under each programme and informed the Committee of its baseline adjustments for the 2023/24 financial year.
10 May 2023	DSD Budget: Committee Report; Committee 2023/24 Annual Performance Plan	• The Portfolio Committee on Social Development met to consider and adopt its Committee report on the annual performance plan and budget of the Department and its entities; the report of the Committee Workshop, the Committee 2023/24 annual performance plan and Committee minutes. • Members raised several concerns relating to entities such as the National Development Agency (NDA) and the South African Social Security Agency (SASSA) which did not provide the requested information to the Committee on a number of occasions. • Members were also concerned about the liquidation of the South African Post Office (SAPO) and Postbank which had run out of money and was unable to make payments, resulting in staff staging a sleepover at their offices. • Members highlighted that many grant recipients were unaware of the transition to cardless payments and that this would negatively affect them. There was also reluctance to switch to the cardless mode, as some people had linked their cards to funeral schemes. • Members emphasised that vacancies needed to be filled within the Department within a timeframe of two months, instead of six months. Funds allocated to the Department that were not spent should be reprioritised. • Members also expressed their unhappiness over the Committee Workshop held on 29 and 30 March 2023, which they felt was an extended Committee meeting where they were simply provided with longer presentations as opposed to receiving an in-depth analysis of programmes and sub-programmes.

Date of the meeting	Purpose of the meeting	Resolutions and recommendations
17 May 2023	Proposed Children's Amendment Bill: Legal Services on drafting of the Committee Bill	● The Committee was briefed by a senior parliamentary legal advisor on the legislative process to draft a Committee Bill on the Children's Amendment Bill. ● The presentation highlighted the risk that the Committee might not have the time to introduce a Committee Bill before the 6th Parliament ended, and that it may be referred to the 7th Parliament only as part of a legacy report. ● In May 2022, the Committee decided to reject certain clauses in the Children's Amendment Bill [B18 – 2020], with the intention that it would do justice to the process by proceeding with a Committee Bill. It was informed that its decision to reject certain clauses in the Children's Amendment Bill meant that those clauses were taken "off Parliament's radar", and a Committee Bill would be a new legislative process, irrespective of the previous work the Committee had done on the Children's Amendment Bill. ● It seemed as if the Committee had not been appropriately advised on the implications of rejecting certain clauses of the Children's Amendment Bill. ● The Committee Member said that the legal advisors should have been mindful of the advice they had given to the Committee at the beginning of this process. ● The Committee felt that the rights of children had been "lost in the process of amending the Children's Act", and reminded the Committee of its constitutional obligation to protect vulnerable children.
24 May 2023	Proposed Children's Amendment Bill: follow-up discussion	● The Portfolio Committee on Social Development met virtually to finalise discussions on the drafting of a Committee Bill on the Children's Amendment Bill. When the Committee dealt with the Bill, it faced a court deadline and decided to reject some clauses to be later dealt with in a Committee Bill. ● The Committee received legal advice that due to the time constraints as the 6th Parliament draws to a close, the Committee Bill might not be completed in time and Members needed to consider deferring the Bill to the 7th Parliament. ● Members felt that the Committee should instruct the Department of Social Development (DSD) to begin the work on an Executive Bill to be introduced in the 7th Parliament. ● Others felt that adequate legal advice had been presented to the Committee and that the Committee Bill should instead be deferred to the 7th Parliament and cautioned that if this was not done, it might make the work the Committee had done thus far null and void. The Committee resolved it would defer the Bill to the 7th Parliament as a Committee Bill.
31 May 2023	Department of Social Development 2022/23 Quarter 4 performance; with Minister	● The Department presented the Quarter 4 Performance Report (January – March 2023). DSD achieved 80% for Quarter 1, 74% for Quarter 2, and 84% for Quarter 3. However, while the 80% performance for Quarter 4 is a 4% decline, most of work reported as unachieved in Quarter 4 had been already achieved in the previous quarters. This will be reflected better and in detail when we present our Annual Report. ● After the DSD 2022/23 Quarter 4 performance report, concerns were raised by Committee members about Department vacancy rates, service delivery at social security offices, anti-gangsterism strategies, compliance support for NPOs, and linking Child Support Grant beneficiaries to services. ● Members expressed their concerns over slow uptake of grants, delayed Bills, overspending on communications, and social issues such as drug houses and teenage pregnancies. Overall, the meeting showcased a strong focus on addressing pressing socio-economic challenges and a desire for effective solutions.

Date of the meeting	Purpose of the meeting	Resolutions and recommendations
13 September 2023	SASSA update on non-payment of grants; DSD, SASSA & NDA Action Plans Responding to AGSA Audit Findings and Recommendations for 2021/22; with Minister and Deputy Minister	• The Committee received briefings on the findings of the audits done in the 2021/2022 financial year from the Department of Social Development (DSD), the South African Social Security Agency (SASSA), and the National Development Agency (NDA). The presentations were meant to guide Members on the progress of the resolution of any inconsistencies in the audits and the measures that would be put in place to ensure that these issues would not arise again in the Department and the two agencies. The Minister and Deputy Minister were in attendance. • The DSD reported a regression in the audit outcome for the 2021/2022 financial year, with the audit outcome being an unqualified audit opinion with findings. The audit noted 51 inconsistent audit findings, of which 43 of these findings have been resolved and closed. One of the most notable findings that was yet to be resolved was the problem of Social Relief Distress (SRD) grant-holders having been using both old and new identity documents in order to register for two grant payments, which is being discussed between Home Affairs and Social Development. • The NDA said it received an unqualified audit opinion with findings. The audit only picked up 13 findings in 2020/2021. Of these findings, 12 were found to be material, and one was listed as an administrative issue. Measures put in place to address the findings included correcting errors found, improving control variables and management review processes. • The SASSA reported that its audit outcome had 83 findings for the 2021/2022 financial year. A total of 73 of these findings have received corrective action. SASSA has also been tackling issues of backlogged cases of finance branch matters, where there were 173 cases of irregular expenditure totalling about R403.62 million. • Matters of fruitless and wasteful expenditures are being dealt with through legal processes, which have been heavily delayed due to court delays and appeal processes. Also, disciplinary corrective measures have been delayed due to unforeseen extended labour relations processes and other external investigations. Where ICT problems have been flagged, SASSA has been granted approval to appoint a service provider to procure an active directory monitoring solution. This has since been successfully deployed. • SASSA also presented an update on the current urgent issue that had occurred in the past week, where a system glitch prevented pension grants from being timeously available to grant-holders. The glitch occurred for members with Postbank accounts. • The Agency acknowledged its poor communication towards grant holders, and also recognised the Postbank toll-free number as being overwhelmed and grant holders being unable to reach anyone. As a result, there was an increase in numbers visiting local offices requiring assistance.
20 September 2023	SASSA payment delays; Department of Social Development Q1 2023/24 Performance	• The Department provided an update on the payment of social grants. Since the challenge emerged in September, a significant number of beneficiaries have struggled to get access to money because of the switch situation that Postbank had changed. • Executive had been meeting daily with the team to troubleshoot the challenge and ensure that every grant recipient got all their money. Furthermore, members of the public had been informed of the various communication channels put in place to offer swift assistance, including WhatsApp lines, email lines and other communication channels where people could reach the Department or Postbank to try and resolve these issues.
11 October 2023	Social Development Portfolio Audit Outcome; DSD&SASSA 2022/23 Annual Reports; with Ministry	• The overall portfolio performance displayed improvement, with the Department's submission by 31 May 2023 showing no material adjustments, whereas SASSA and the NDA encountered some issues that were duly resolved. • The presentation reported that the 2022/23 financial year marked the final-term point of the 6th Administration of our democratic government. • The Department's Annual Report reflects the challenges and achievements of the Department in fulfilment of the commitments of the 6th Administration. • The Department Portfolio was able to positively impact the lives of the poor and vulnerable individuals and communities through various interventions, some of which include Social Assistance, Gender Based Violence Command Centre, Non-Profit Organisations and Food Nutrition Security.

Date of the meeting	Purpose of the meeting	Resolutions and recommendations
13 October 2023	National Development Agency (NDA) Annual Report 2022/2023	
18 October 2023	Social Development BRRR	● The Minister of Social Development should ensure that the Department strengthens its oversight over the administration and payment of social grants by ensuring that the Management Service Agreement (MSA) SASSA entered with Postbank is implemented to avoid any future payment crisis. ● The Minister should also make sure that the Department within the 2024/2025 financial year trains all social workers on the provisions of the Social Assistance Amendment (No. 20 of 2020) and the Children's Amendment Act (No. 17 of 2022) and their Regulations to increase the uptake of the Child Support Grant (CSG) Top Up. ● The Department had set a target of capacitating 30% of the sector workforce in 2022/2023 and 30% in 2024/2025. However, it is important that all social workers are trained to prevent further exclusions of vulnerable children either from the Foster Child Grant or CSG Top Up. ● The Department has come up with a scheme where social workers buy cars at a subsidised rate so that they can fulfil their obligations. DSD has further partnered with the private sector to ensure that social workers have laptops and all the supplies they need to fulfil their professional obligations.
01 November 2023	Unemployed Social Workers Petition – Deputy Minister present	● DSD has been meeting with other departments, such as the Department of Education and the Department of Correctional Services, to encourage them to have social workers. However, departments are slow in absorbing social workers, as they also have other priorities. DSD is finalising the White Paper on Social Development which will assist in the costing of all the needed Social Service Professionals (SSPs) in the country. ● The Department presented a comprehensive overview of the current situation regarding the employment of SSPs in South Africa. The purpose of this report was to provide the Committee with an in-depth understanding of the context, challenges and progress made in addressing the critical need for employing SSPs to address various social issues and challenges in the country. ● The cost analysis of implementing the strategy involves a significant financial commitment. Based on workforce needs to reach 55 000 SSPs by 2030, the estimated cost is approximately R9 578 552 700 billion. This costing is expected to be implemented in phases over six years. ● The Department has engaged with key stakeholders, such as the Department of Basic Education and the private sector, to explore employment opportunities. ● The Department has come up with a scheme where social workers buy cars at a subsidised rate so that they can fulfil their obligations. DSD has further partnered with the private sector to ensure that social workers have laptops and all the supplies they need to fulfil their professional obligations for SSPs.

Date of the meeting	Purpose of the meeting	Resolutions and recommendations
15 November 2023	Children's Amendment Bill: Hon Masango (DA) briefing & Department response; with Minister	The Portfolio Committee on Social Development was briefed in a virtual meeting on the Children's Amendment Bill [B19-2023]. Concerns were raised about the numerical threshold of six, suggesting potential disadvantages for facilities with fewer children. The Department recommended redefining partial care and avoiding a predetermined list of registration conditions to ensure flexibility in decision-making. Committee members expressed support for the Bill but raised concerns about financial implications, resource shortages, and the need for adequate enforcement mechanisms. Some members suggested deferring the Bill's consideration due to time constraints, while others emphasised the priority to protect children, thus the urgency of the Bill. The Department acknowledged the comments and indicated that further costing considerations would be necessary. It was agreed to discuss the way forward in the next meeting after members had consulted.
22 November 2023	Children's Amendment Bill: DSD input on budget allocation & deliberations; with Minister	• The Department presented the budgetary aspects, emphasising challenges due to the absence of financial allocations and capacity constraints. The presentation highlighted the Treasury moratorium on engaging service providers, adding complexity to the costing process. • The committee raised concerns on the prioritisation of costing over the content and value of the Bill; Protection of fathers' rights and the treatment of children aged out of foster care; issue of policy coordination in terms of what was not covered in the Children's Amendment Bill; status of the Office of the Rights of the Child. • The Department committed to the following: ◦ Ensuring that the Children's Amendment Bill [B19 – 2023] is thorough and that all perspectives are considered in the process. ◦ Costing of a comprehensive Partial Care Programme in line with Chapter 5 of the Children's Act, considered in the future. • DSD acknowledged the issue of children who turn 18 years old and are pushed out of foster care system. DSD is looking on this issue to find a possible solution. • DSD is working with all relevant stakeholders in protecting children's rights, including the Office of the Rights of the Child, under the coordination of the Office of the Presidency. • The committee advised that the Private Member's Bill should be looked through its content and value to the people of South Africa without considering cost factors. Costing should be considered later after the value of the Bill has been considered. • The committee recommended that National Treasury present the costing of the Bill. • The committee deferred the Children's Amendment Bill [B19-2023] – Private Member's Bill to the next Parliament, considering resource constraints and time limitations.
29 November 2023	Children's Amendment Bill: motion of desirability; Canada Study Tour Report	• Concern was expressed that the Bill was being delayed, and it was asserted that the Committee was not taking the protection of children seriously. However, there was agreement that the report adequately expressed why members did not support the Bill and that it had to be referred to the 7th Administration. • The Committee also considered the report on its study tour to Canada and agreed that South Africa could learn a lot from Canada in terms of monitoring and evaluation. They pointed out that South Africa had the necessary legislation and policies but had to focus on their implementation.

8 SCOPA RESOLUTIONS

The Department appeared before SCOPA on 17 October 2023.

Subject	Details	Response by the Department	Resolved (Yes/No)
SCOPA review of unauthorised expenditure	The Department appeared before SCOPA on unauthorised expenditure relating to Social Grants for the financial year 2019/20.	The Department reported an unauthorised expenditure of R 15.134 billion for the payments of social grants during Covid-19. A decision was taken to make early April 2020 payments on 30 and 31 March 2020 before the hard lockdown. This was a response to a national disaster and were essentially measures to safeguard the country. Due to the early payment on 30 and 31 March 2020, DSD overspent its budget by R 15.134 billion and it could not be funded as the financial year was concluded.	Yes



9 PRIOR MODIFICATION TO AUDIT REPORTS

The Department obtained an unqualified audit outcome, without findings.

10 INTERNAL CONTROL UNIT

The Directorate Internal Control operates as an integral part of the financial management activities in the Department. As part of this role, it reports directly to the Department's Chief Financial Officer. The responsibility of Internal Control is to identify, mitigate and manage control risks, which may hamper the achievement of the Department's objective to effectively, efficiently, and economically manage its financial and related resources.

The main functions performed by Internal Control cover the following areas:

- Ensure effective, efficient, and transparent financial (internal) control measures
- Provide the Secretariat service to the Loss Control and the Audit Steering Committees
- Manage financial and financial-related systems
- Support with the management of fraud prevention
- Ensure proper and effective financial document management
- Maintain governance frameworks
- Facilitate and participate in committees, forums, and oversight bodies

During the period under review, the Directorate Internal Control effectively coordinated the external audits. An Audit Implementation Action Plan (AIAP) was developed based on the Management Report from the AGSA. Progress to resolve the findings was updated on a continuous basis, based on the evidence provided by the affected line managers. Compliance with financial prescripts on payment batches was performed and the financial documents were safely kept in lockable areas/storerooms. Findings of non-compliance were reported to the relevant managers for corrective action.

Internal control conducted pre-audit on all batches prior to the creation of orders at Supply Chain Management.

The reported cases of unauthorized, irregular, fruitless, and wasteful expenditure were investigated and dealt with at the Department's Loss Control Committee meetings. The Directorate Labour Relations assisted with the management of the discipline in instances where officials were found to be negligent and responsible for irregular, fruitless, and wasteful expenditures. Internal Control will continue with the investigations of the new and outstanding cases to ensure completeness of the cases within National Treasury's Irregular, Fruitless and Wasteful Expenditure Framework.

11 INTERNAL AUDIT AND AUDIT COMMITTEE REPORT

Key activities and objectives of the internal audit

The Internal Audit Unit (IAU) is established in accordance to the Institute of Internal Audit (IIA) standards and guidelines. It operates independently from management, providing objective assurance and consulting services within the Department in order to assist the organisation in achieving its mandate. The IAU's approach is risk-orientated in providing management

and the Audit Committee with assurance on the adequacy and effectiveness of governance, performance, risk management and internal control processes. The 2024–2027 rolling three-year strategic internal audit plan and 2023/24 operational plan were primarily based on the departmental strategic risk assessment and several secondary sources, to ensure that they cover the key risks faced by the Department to realise its strategic and operational objectives.

Summary of audit work done

The Committee approved the rolling three-year strategic plan including the operational plan for the year ending 31 March 2024, comprising 15 approved projects (13 assurance and two continuous audit projects). Due to a severe lack of adequate capacity within the IAU, of the 15 approved projects:

- Six projects were scheduled to be conducted by the appointed service providers through a Panel of Auditors' contract.
- Eight assurance audit projects were concluded during the 2023/24 financial year.
- Seven projects aimed for outsourcing were deferred to the 2024/2025 financial year due to late finalisation of the appointment of a Panel of Auditors.

The completed audits covered finance, governance, performance and information technology audits and were performed in accordance with the International Standards for the Professional Practice of Internal Auditing (ISPPA).

Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2024, which is in accordance with the paragraphs 3.1.9 to 3.1.13 of the Treasury Regulations of 1999, amended in 2005 and sections 3.1.9 to 3.1.13 of the Public Finance Management Act, 1999, amended in 30 April 2015.

Audit Committee responsibility, membership and attendance

The Department's Audit Committee is appointed in terms of Section 38(1)(a)(ii) of the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999) and Treasury Regulations 3.1.1 to 3.1.8 as revised. The Audit Committee operated in accordance with the aforementioned regulations, as well as the provisions prescribed in terms of sections 76(4)(d) and 77 of the PFMA and its approved Audit Committee Charter. The primary purpose of the Audit Committee is to assist the Accounting Officer of the Department in fulfilling his responsibilities to ensure that the Department has and maintains effective, efficient and transparent systems of financial, risk management, governance, and internal control by providing oversight.

The Department's Committee consists entirely of independent non-executive members who bring to the Committee the following set of skills: financial, monitoring and evaluation, information technology, risk management, corporate governance and legal.

The Committee has received and reviewed the internal audit and external audit reports. The Audit Committee was scheduled to meet six times in the financial year to discuss matters pertaining to the Department, as stipulated in the Audit Committee Charter and the Treasury Regulations. Due to departmental challenges, which had potential risks of affecting delivery of the approved Annual Performance Plan and compromising the delivery of the Department's mandate, the Audit Committee held 16 meetings during the period under review. Of these meetings, 14 were special meetings aimed at addressing challenges and stabilising the Department's services.



The Audit Committee was fully functional and comprised five members who are non-departmental officials as at 31 March 2024. The table below indicates a list of members, qualifications

and a record of attendance of meetings during the 2023/24 financial year.

Name	Qualifications	Appointed Date	Date Resigned	Number of Meetings Attended
Adv. MB Madumise	• B Proc • LLB • MBA • Graduate Diploma in International Trade Law	Initially appointed as Chairperson on 1st September 2013. Re-appointed as an ordinary member for a three-year term on 19 February 2020. The re-appointment contract is extended to 30 September 2024. From April to November 2020, she was an interim Chairperson.	N/A	16
Mr N Mabaso (Chairperson)	• MSc in Public Management • Advance Diploma in Management • Bachelor of Administration (honours) • Secondary Diploma	Initially appointed on 12 December 2017. Re-appointed for a three-year term on 19 February 2020. The re-appointment contract is extended to 30 September 2024. Appointed as Chairperson from December 2020.	N/A	6
Ms R Kalidass	• Chartered Accountant (CA) • Certificate of Theory in Accounting (CTA) • Bachelor of Commerce (Honours) • Bachelor of Accounting Science (BCompt)	Appointed for a three-year term on 1 October 2020. The re-appointment contract is extended to 30 September 2024.	N/A	9
Mr. PN Phukubje	• Bcom Accounting Honours • Registered Government Auditor (SAIGA) • Member of the South African Institute of Directors	Appointed for a three-year term on 1 October 2020. The re-appointment contract is extended to 30 September 2024.	N/A	10
Mr. LH Moroeng	• Bachelor of Science • Higher Diploma in Computer Auditing • Master of Management, Information and Communications Technology: Policy and Regulation (MM ICT PR) • Certified Information Security Manager • Certified Information Systems Auditor • MDP – Management Development Programme	Appointed for a three-year term on 1 October 2020. The re-appointment contract is extended to 30 September 2024.	N/A	12

While the Committee is satisfied that it has met its responsibilities as stipulated in its Charter, it is seriously concerned about the capacity that the Department has in place to oversee all its entities, especially SASSA which is responsible for managing and administering over 90% of the Department's budget allocation. The Committee also noted control weaknesses around the following:

- Supply chain management (SCM) processes.
- Debtors management on grants administration.
- Consequence management on misconducts on the following, inter alia:
 - Transgressions of SCM processes
 - Transgressions of the Department's Code of Conduct
 - SASSA/Postbank employees receiving grants payments after date of employment
 - Irregular, fruitless and wasteful expenditure financial misconducts.
- Effects of the budget cuts on compensation of employees and goods and of services allocations on the delivery of the Department's mandate.
- Inactive Loss Control Committee during the period under review.

Activities of the Audit Committee

During the period under review, the following activities were undertaken which demonstrate the commitment of the Audit Committee to achieving its mandate:

- Reviewed quarterly management reports.
- Considered the effectiveness of the risk management processes.
- Considered the Internal Audit plans and reports and made recommendations as appropriate.
- Monitored progress with the Internal Audit coverage plans, as well as management's follow-up on matters requiring attention.
- Monitored compliance with the Department's policies and applicable legislation.
- Prioritised oversight on forensic investigation reports issued into allegations of misappropriations of funds especially related to the SRD grants at SASSA.
- Conducted separate informal meetings with management, internal and external audit.
- Reviewed External Audit plans, reports as well as management's follow-up of matters requiring attention.
- Provided guidance to the Department on ICT governance issues and alignment to applicable legislations and ICT governance frameworks.

- Held several special Audit Committee meetings with senior management, assurance providers and the Executive Authority to comprehend the depth of the challenges reported in various public medias, with the intention of stabilising the Department's services.

Effectiveness of internal controls

The Accounting Officer and management are responsible for designing and implementing an effective system of internal controls to mitigate risks and control deficiencies.

A risk management process is in place in the Department. There is a functioning Risk Management and Ethics Committee (RMEC) chaired by an independent (external member), which is responsible for overseeing the departmental risks and ethics-related matters. In addition, the Department has established the Information Security Committee (ISC), constituted by departmental officials and the ICT Steering Committee chaired by an independent person (external member).

Internal control is a cost-effective process effected by the Department's executive management, designed to provide reasonable assurance regarding the achievement of its objectives, effectiveness and efficiency of operations, financial reporting, and compliance to applicable laws and regulations, policies and procedures.

The Committee would also like to highlight to the Executive Authority the need to prioritise the filling of leadership positions in order to stabilise the leadership and governance. The posts of Accounting Officer, including the CFO's post which has been vacant throughout the period under review. Filling these critical posts will go a long way to strengthen and stabilise the leadership and thus enhance the Department's opportunity to deliver on its mandate, goals and objectives.

We note the regression of the audit outcome, from clean audit opinion in 2022/2023 financial year to unqualified audit opinion with findings. The annual performance report regressed with qualified conclusions. Members are attributing the regression of 2023/24 audit outcome compared to prior year audit results to the following control weakness, inter alia:

- Slow progress in implementing the 2021/22 and 2023/23 AGSA audit findings and in resolving internal audit findings.
- Undue delays in investigating material irregularities identified/ fraud related cases and slow pace in implementing fraud investigations recommendation.

- Lack of improvement on the SCM issues and the SCM environment resulting in repeat findings raised by the AGSA.
- Inadequate capacity facing the Department, as a result of budget cuts in the current Medium-Term Strategic Framework period.

The lack of consequence management is at the centre of the control weaknesses alluded to above that led to the regression of the 2023/24 audit outcome as compared to the previous financial years. The lack of consequence management concerns both officials who are derailing their responsibilities and non-actions by top management against officials who are not doing the following:

- Addressing the findings raised by AGSA in the previous financial years.
- Implementing internal audit recommendations from various audit reports.
- Delaying the implementation of recommendations from the forensic investigation reports, especially the material irregularity findings.
- Implementing a strategy to drastically improve the SCM control environment.

Internal Audit Unit

The Audit Committee reviewed and approved the Internal Audit Unit's risk-based three-year rolling and operational plans for 2023/24. Internal Audit was guided by the Department's consolidated risk profile, critical audit areas and management's inputs in the formulation of its three-year strategic and annual plans. The Audit Committee also monitored performance of the Internal Audit Unit against its approved operational plan on a quarterly basis.

Although satisfied that the Internal Audit Unit has delivered its approved plan, reviewed key controls associated with the risks to the Department's strategic and operational objectives and provided appropriate recommendations to improve the internal control system, the Audit Committee members are concerned about the staff capacity within the Internal Audit Unit, which is severely compromised and operating at less 50% of the ideal structure. The consequences of staff challenges within the Internal Audit Unit became evident with the deferral of seven audits that were supposed to be done in the financial year under review, and is affecting readiness for the external quality assurance review.

The quality of in-year monitoring and quarterly reports

The Department has reported monthly and quarterly to the National Treasury, as required by the PFMA. The Audit Committee reviewed the quarterly reports prepared and issued by the Department's Accounting Officer during the year under review, and is satisfied with the content and quality thereof. There are opportunities for improving the quality of both performance information and financial reporting in some areas.

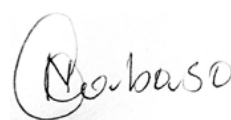
Evaluation of financial statements and performance information

The Audit Committee has:

- reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report with the AGSA and the Accounting Officer;
- reviewed the AGSA's Management Report and management's response thereto;
- reviewed accounting policies and practices as reported in the Annual Financial Statements;
- reviewed the Department's processes for compliance with legal and regulatory provisions; and
- reviewed and confirmed the independency of the external auditors.

Auditor-General of South Africa

We have, on a quarterly basis, reviewed the Department's implementation plan for audit issues raised in the prior year. We would like to extend our gratitude to the Portfolio Committee for Social Development for the oversight role they played, Minister and Deputy Minister for their leadership and guidance, the DSD management and staff for their contribution and efforts during the financial year as well as AGSA and Internal Audit for their co-operation and the information that they have provided to enable us to discharge our responsibilities.



Mr N G Mabaso

Chairperson of the Audit Committee
National Department of Social Development

12 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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	N/A
Developing and implementing a preferential procurement policy?	Yes	The Department implemented the Preferential Procurement Policy Framework Act (PPPFA) of 2022 as amended. The Department developed its own specific goals in line with the PPPFA of 2022.
Determining qualification criteria for the sale of state-owned enterprises?	No	N/A
Developing criteria for entering into partnerships with the private sector?	No	The Department did not enter into any partnerships with the private sector.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	N/A





PART

D

HUMAN RESOURCE MANAGEMENT

1 LEGISLATION GOVERNING HUMAN RESOURCES MANAGEMENT

The Constitution (Chapter 10(195)(1)(h)) compels the public service to be governed by democratic values and principles, including good human resources (HR) management practices to maximise human potential. Human capital management (HCM) in the public service is governed by a myriad of legislation, regulations, Bargaining Council resolutions, collective agreements and directives, including the following:

- Public Service Act, 1994 (as amended)
- Public Service Regulations, 2001 (as amended)
- Labour Relations Act, 1995 (Act No. 66 of 1995)
- Skills Development Act, 1998 (Act No. 97 of 1998)
- Skills Development Levies Act, 1999 (Act No. 9 of 1999)
- Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)

- Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)
- Department of Public Service and Administration (DPSA) directives
- Public Service Co-ordinating Bargaining Council (PSCBC) resolutions
- Public Health and Social Development Sectoral Bargaining Council (PHSDSBC) resolutions

HR management is governed by a large regulatory framework and, therefore, is to a large extent compliance-driven. However, the HR field has shifted from being mainly compliance and administrative-driven to being more a strategic business partner, in terms of understanding the Department's core business and advising on HR matters in order to ensure that the Department's mandate is met.

2 OVERVIEW OF HUMAN CAPITAL MATTERS IN THE DEPARTMENT

The status of human resources in the department

The HR function is well established in the Department through the Chief Directorate: Human Capital Management within Corporate Support Services. It comprises four directorates focusing on:

- Human Resource Development and Performance Management
- Labour Relations
- Organisational Design and Human Resource Planning
- Human Resource Management (HR administration, recruitment and selection, and employee health and wellness)

The Chief Directorate has a staff complement of 33 officials responsible for all aspects of HCM. All HCM policies have been developed, although some are being revised in line with the recently approved Public Service Regulations, 2016. Delegations in terms of these Regulations and the Public Service Act, 1994 (as amended) have been reviewed and approved by the Minister of Social Development.

HCM is the heartbeat of any organisation, and so HR practices must ensure that the human capital is optimally utilised and developed, and that the morale of the officials is uplifted through a conducive environment. To this end, the Department

regularly reviews its HCM policies to remove any barriers and keep up with the needs of the employees.

This year, the Department continued its "reinventing/reimagining" process, with the completion of the analysis of the Department's organisational structure. The drive to create an ethical Department with ethical leadership continues through the training of senior managers and information sessions, while a conducive environment is created through implementing recommendations from the organisational culture survey.

Financial disclosures of members of the senior management service

The disclosing of financial interests by officials is a key part of the Department's commitment to create an ethical culture. Regulations 18(1) and (2) of the Public Service Regulations (2016) stipulates that members of the senior management service (SMS, i.e., incumbents of posts graded level 13 or above, unless specifically excluded in terms of a determination) must disclose their registrable interests, which must be submitted to Public Service Commission in terms of regulations 18(5), (6) and (7).

All 87 SMS members disclosed the particulars of their registrable interests for the period 1 April 2023 to 31 March 2024. These disclosures were verified and submitted to the Public Service Commission by the due date of 31 May 2024.

Financial disclosures of employees appointed at salary level 11 and 12 including employees earning an equivalent through the OSD

Of the 218 other designated employees, 161 disclosed the particulars of their registrable interests, which were verified by the Ethics Officer and submitted to the Head of Department for verification by the due date of 30 November 2023. For the 57 other designated employees who did not comply, disciplinary action will be taken in terms of Section 16A of the Public Service Act, 1994 (as amended).

HCM priorities and their impact in 2023/24

Sector Strategy for Employment of Social Service Professionals

On 28 February 2024, Cabinet approved the Sector Strategy for the Employment of Social Service Practitioners, which is a crucial step forward in achieving the National Development Plan (NDP) target of 55 000 social service practitioners (SSPs) by 2030. At the end of 2023/24, government employed 23 561 SSPs across national and provincial government.

SSPs are crucial for responding proactively to the prevalent social ills in society by providing socio-economic and psychosocial support to tackle, among others, gender-based violence and femicide, teenage pregnancies, bullying, child-headed household and substance abuse.

The strategy's goal is more responsive social protection systems through improved planning, recruitment, deployment and management of SSPs, resulting in support for the building of resilient individuals, families and communities.

The strategy involves all spheres of government in a bid to bridge the gap between the high demand for social services and the limited supply of well-trained SSPs. It takes into consideration both SSPs whose core business is social development, working in provincial departments of social developments and non-profit organisations (NPOs) and SSPs who support the core business, working in (for example) the education, health or justice sectors.

The approved strategy was led by an established Inter-sectoral Forum comprising the departments of social development, basic education, health, correctional services, justice and constitutional development, and defence, and the South African Police Service. Their collective role includes the following:

- Planning for recruiting and deploying SSPs to identified areas.
- Engaging with the private and business sectors to forge partnerships, collaboration, and support for the provision of SSPs.
- Leveraging additional SSPs, including making a case for additional funding.

Reducing the vacancy rate of the Department to 9%

To be fully effective and be able to drive its key mandates, the Department needs to be adequately staffed with all posts filled as soon as possible. This year, the 9% vacancy rate was not met, as the reduced compensation budget led to the Department's prioritising the filling of critical vacant posts, in particular key leadership positions. As a result, the Department's vacancy rate was 18% on 31 March 2024.

Workforce planning and attracting a skilled and capable workforce

One of the key imperatives for building a capable state is the professionalisation of the public administration. This means having qualified staff who are fully equipped to perform their jobs with diligence.

Workplace Skills Plan

The Department met the requirements of the Public Service Education and Training Authority (PSETA) and the Health and Welfare Sector Education and Training Authority (HWSETA) through implementing a Workplace Skills Plan, submitting an Annual Training Report and paying the skills levy. Skills of departmental employees were upgraded through implementing the Workplace Skills Plan and coordinating various training programmes, which had a positive impact on service delivery.

Training programmes

During the period under review, 357 employees (111 males and 246 females) attended training programmes. The training covered a wide range of topics, including monitoring and evaluation, ethics in the public service, report writing, emotional intelligence, trauma debriefing and counselling, and included courses in project management, advance management development, emerging management and safety management training.

The Department continuously provides web-based training to users in order to remain relevant in a technologically advanced world. The web-based training included victim empowerment, the Child Protection Register, the Old Persons Register, probation management, child and youth care application, accreditation of diversion services, NPO payments, the national integrated social information system, and the foster care and monitoring tool.

In addition, this year 75 officials successfully completed the online ethics training offered by the National School of Government.

The Department also provided opportunities for students to gain valuable practical experience in the workplace. It supported the Department of Public Service and Administration (DPSA) developmental programme by welcoming 26 students from Tshwane TVET College for their work-integrated learning, as well as hosting eight interns through a Memorandum of Understanding with the professional and training service provider ZA Wit.

Bursary scheme

The Department has successfully designed and executed a bursary programme, and promptly paid all accounts and registration costs. Twelve officials successfully completed their formal education and graduated from various colleges and universities: three completed master's degrees, five completed post-graduate diplomas, two completed honours degrees, one completed a bachelor's degree in law, and one obtained an advanced diploma. The programme currently provides bursaries to 80 officials.

Providing labour relations support

The Directorate: Labour Relations conducted workshops on grievance management to the staff of the South African Council of Social Service Professionals (SACSSP) and on the Code of Conduct to the staff of Gender-Based Violence Command Centre (GBVCC). It successfully convened all its quarterly labour

relations forum meetings. At the forum's meeting on 14 March 2024, the Public Health and Social Development Sectoral Bargaining Council (PHSDSBC) presented the two collective agreements:

- PHSDSBC Resolution 1 of 2023: Agreement on the Provision of Uniform for Nurses in the Public Health and Social Development Sector
- PHSDSBC Resolution 2 of 2023: Agreement on Provision of Token of Appreciation to all Qualifying Department of Health and Social Development Employees.

Prior to this meeting, the Bargaining Council conducted a virtual session on implementing these collective agreements on 26 February 2024.

During 2023/24, a total of 20 grievances were dealt with, of which 19 were resolved and one is outstanding. Of the disciplinary cases, which included on absenteeism, inappropriate or unacceptable behaviour, verbal abuse and harassment, two were dealt with and resulted in final written warnings, while the other case was withdrawn. Five disputes were lodged, of which one was upheld and four were dismissed.

Employee performance management framework

Performance management involves planning, reviewing, evaluating, recognising and rewarding performance. Within the Department, performance management is a structured process that is conducted within an approved framework, which includes adherence to legislative requirements such as the Public Service Act, 1994 (as amended) and Part VIII of the Public Service Regulations, 2001 (as amended). Also considered are the requirement of Chapter 4 of the SMS handbook, DPSA directives and the approved Departmental Performance Management Development System (PMDS) Policy.

To ensure that the performance of all officials is monitored on an ongoing basis, the Department has a formal PMDS system in place and has established a Moderation Committee to quality-assure the performance agreements of SMS members and ensure a fair basis for assessment.

The annual performance appraisals are a process to link individual performance management and development to organisational performance. The performance assessment tool used clearly links to the key performance areas and indicators set out in performance agreements (for SMS members) and workplans (for officials).

All staff members complied with the submission of performance agreements, mid-term reviews and the annual performance assessment. The Moderation Committee was convened to moderate the SMS performance agreements, assess all qualifying officials, and make recommendations for performance incentives. Performance agreements were analysed to ensure alignment between job descriptions and workplans. All annual performance assessments were finalised before 13 October 2023, as per DPSA Circular no. 35 of 2023.

Employee wellness programmes

The Department is implementing the four pillars of the DPSA Employee Health and Wellness (EHW) Strategic Framework, which includes HIV and AIDS and TB management; wellness management; health and productivity; and safety, health, environment, risk and quality (SHERQ) management. This is managed by a dedicated health and wellness sub-directorate. With regards to the management of HIV and AIDS, sexual transmitted infections (STI) and TB, condoms are distributed regularly and international calendars are commemorated (STI and Condom week, Candle Light Memorial and World Aids Day).

As part of the EHWs Programme, virtual training sessions were conducted on the following topics: human papilloma virus (HPV) and gonorrhoea, toxic shock and polycystic ovarian syndromes, hypertension awareness, breast cancer awareness, and mental health and disorders in the workplace.

Health and productivity management

Awareness is created by arranging health risk screenings twice a year, to assist with the early identification of chronic illnesses among employees. Financial management information sessions were conducted to provide employees with consumer information and awareness that will assist in managing their finances. SHERQ management is taken care of through the nomination of safety reps and the Occupational Health and Safety Committee, which meets on a regular basis.

Wellness management

Two EHW practitioners who are qualified social workers provide counselling and debriefing sessions to employees in need. The Department further appointed EHW Counselling 24/7 service to assist employees and their immediate families with personal problems. Monthly information sessions were held to create awareness about the various proactive interventions related to mental health, women's health and sexual harassment in the workplace. The Department organises an annual Sports Day, to encourage physical wellness and healthy living among employees who are also encouraged to participate in other planned events, such as Recreation Day and the Big Walk.

Achievements, challenges and future goals

Policy development and review is an integral part of the Chief Directorate's operational plan. During the period under review the following was achieved:

- Guidelines and Procedure on Acting Appointments was developed.
- The Working Hours Policy was reviewed.
- The Recruitment Policy was reviewed to be in line with current legislation.

National Treasury's cost containment measures on the employee compensation budget were a challenge for the Department (and indeed the entire public service). It resulted in the Department being unable to fill vacant posts. Budget cuts on employee compensation are having a direct bearing on the allocation of work and tasks, wherein the work is performed with limited staff.

The Department will review the current approved and concurred organisational structure with a view to developing a structure that is fit for purpose given the current budgetary constraints related to employee compensation. Furthermore, the review of the organisational structure will reflect recent legislative and policy developments and reviews. The Directorate: Human Resource Development and Performance Management has initiated the migration of the PMDS process from manual to electronic submission, whereby all employees will be required to submit their PMDS reports electronically, after having completed all the approval processes.

3 HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel-related expenditure

Tables 3.1.1 to 3.1.4 summarise the final audited personnel-related expenditure by programme and by salary bands, providing an indication of the amounts spent on personnel; and amounts spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme (1 April 2023–31 March 2024)

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)
P1: Administration	453 724	231 442	0	0	51%	737
P3: Social Security Policy & Administration	7 636 188	47 840	0	0	0.6%	488
P4: Welfare Service Policy Development & Implementation Support	360 831	91 173	0	0	25%	647
P5: Social Policy & Integrated Service Delivery	369 902	176 438	0	0	47%	363
TOTAL	8 820 645	546 894	0	0	6%	526

Table 3.1.2 Personnel costs by salary band (1 April 2023–31 March 2024)

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1–2)	0	0%	0	0
Skilled (level 3–5)	30 718	5%	88	349 068
Highly skilled production (levels 6–8)	115 702	21%	233	496 575
Highly skilled supervision (levels 9–12)	223 683	40%	240	932 013
Senior and top management (levels 13–16)	114 569	20%	78	1 213 215
10 Contract (levels 1–2)	195	0.0%	1	195
11 Contract (levels 3–5)	6 177	1%	25	247 080
12 Contract (levels 6–8)	12 672	2%	31	408 774
13 Contract (levels 9–12)	26 505	5%	38	697 500
14 Contract (levels >= 13)	13 710	2%	8	1 713 750
18 Contract (other)	2 304	0.4%	101	21 333
19 Periodical remuneration	8 940	2%	70	127 714
20 Abnormal appointment	3 717	0.7%	119	31 235
TOTAL	558 891	100%	1 032	537 912

Table 3.1.3 Salaries, overtime, home owners allowance and medical aid by programme (1 April 2023 – 31 March 2024)

Programme	Salaries		Overtime		Home owners allowance (HOA)		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
DSD: Administration	195 581	83%	3 859	2%	3 700	2%	7 829	3%
DSD: Social Security Policy & Administration	40 972	75%	26	0.0%	895	1%	1 635	3%
DSD: Welfare Service Policy Development & Implementation Support	41 667	93%	11	0.0%	274	0.6%	441	1%
DSD: Grant Systems and Service Delivery Assurance	105 517	80%	4 178	3%	2 714	2%	5 411	4%
DSD: Social Assistance Transfer and Administration	51 152	76%	2 429	4%	1 195	1%	2 809	4%
DSD: Welfare	26 730	85%	148	0.5%	379	1%	1 037	3%
TOTAL	461 619	82%	11 738	1%	9 906	1%	19 163	3%

Table 3.1.4 Salaries, overtime, home owners allowance and medical aid by salary band (1 April 2023–31 March 2024)

Salary band	Salaries		Overtime		Home owners allowance (HOA)			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
02 Skilled (levels 3–5)	21 043	68%	1 777	6%	1 810	6%	2 941	10%
03 Highly skilled production (levels 6–8)	85 873	74%	5 921	5%	4 413	4%	8 729	8%
04 Highly skilled supervision (levels 9–12)	190 006	84%	3 645	2%	2 525	1%	6 257	3%
05 Senior management (levels >= 13)	101 225	87%	0	0%	1 015	1%	1 011	1%
10 Contract (levels 1–2)	195	99.5%	0	0%	0	0%	0	0%
11 Contract (levels 3–5)	5 975	96%	49	1%	78	1%	17	0.3%
12 Contract (levels 6–8)	12 143	95%	231	2%	45	0.4%	123	1%
13 Contract (levels 9–12)	25 858	97%	116	0.4%	20	0.1%	84	0.3%
14 Contract (levels >= 13)	13 281	95%	0	0%	0	0%	0	0%
18 Contract (other)	2 303	100%	0	0%	0	0%	0	0%
19 Periodical remuneration	0	0%	0	0%	0	0%	0	0%
20 Abnormal appointment	3 717	100%	0	0%	0	0%	0	0%
TOTAL	461 619	82%	11 738	1%	9 906	1%	19 163	3%

3.2 Employment and vacancies

The tables in this section summarise the position with regard to employment and vacancies, including the number of posts, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: programme, salary band and critical occupations (see definition in notes below).

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2024

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
DSD: Administration	381	305	19%	54
DSD: Social Security Policy & Administration	86	59	31%	0
DSD: Welfare Service Policy Development & Implementation Support	178	171	3%	150
DSD: Grant Systems and Service Delivery Assurance	220	185	15%	2
DSD: Social Assistance Transfer and Administration	118	95	19%	6
DSD: Welfare	49	35	28%	0
TOTAL	1 032	850	18%	212

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2024

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Lower skilled (1–2)	3	0	100%	0
Skilled(3–5)	113	88	22%	0
Highly skilled production (6–8)	287	233	18%	1
Highly skilled supervision (9–12)	288	240	16%	2
Senior management (13–16)	130	78	40%	0
09 Other, permanent	108	108	0%	108
10 Contract (levels 1–2)	1	1	0%	1
11 Contract (levels 3–5)	25	25	0%	25
12 Contract (levels 6–8)	31	31	0%	31
13 Contract (levels 9–12)	38	38	0%	38
14 Contract (levels >= 13)	8	8	0%	6
TOTAL	1 032	850	17%	212

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2024

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Communication and Information Related, Permanent	10	10	0%	0
Community Development Workers, Permanent	17	15	12%	1
Computer System Designers and Analysts., Permanent	15	15	0%	0
Finance and Economics Related, Permanent	9	9	0%	2
Financial Clerks and Credit Controllers, Permanent	29	26	10%	0
Information Technology Related, Permanent	6	6	0%	1
Other Information Technology Personnel, Permanent	8	7	13%	0
Senior Managers, Permanent	87	74	15%	10
Social Sciences Related, Permanent	49	39	20%	0
Social Work and Related Professionals, Permanent	76	57	25%	1
TOTAL	306	258	16%	15

Notes:

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

Critical occupations are defined as occupations or sub-categories within an occupation –

- in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
- for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3 Filling of SMS posts

The tables in this section provide information on employment and vacancies, as it relates to members of the SMS by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2024

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	-	-	-	-	-
Salary level 15	6	3	50%	3	50%
Salary level 14	28	24	86%	5	18%
Salary level 13	71	51	72%	15	21%
TOTAL	106	78	76%	24	24%

Table 3.3.2 SMS post information as on 30 September 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	-	-	-	-	-
Salary level 15	6	3	50%	3	50%
Salary level 14	28	24	83%	5	18%
Salary level 13	71	52	78%	14	21%
TOTAL	106	79	77%	23	23%

Table 3.3.3 Advertising and filling of SMS posts (1 April 2023–31 March 2024)

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

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS – Advertised within six months and filled within 12 months after becoming vacant (1 April 2023–31 March 2024)

Reasons for vacancies not advertised within six months
As a result of the reduction of the compensation of employees' budget that has a negative impact on the medium term expenditure framework, the Department is in the process of prioritising critical posts to be considered for funding to avoid overspending.
The Department is in the process of re-thinking and re-imagining the strategic direction in line with the MTSE.
As a result of the reduction of the compensation of employees' budget that has a negative impact on the medium term expenditure framework, the Department is in the process of prioritising critical posts to be considered for funding to avoid overspending.
Reasons for vacancies not filled within 12 months
As a result of the reduction of the compensation of employees' budget that has a negative impact on the medium term expenditure framework, the Department is in the process of prioritising critical posts to be considered for funding to avoid overspending.
The Department is in the process of re-thinking and re-imagining the strategic direction in line with the MTSE.
As a result of the reduction of the compensation of employees' budget that has a negative impact on the medium term expenditure framework, the Department is in the process of prioritising critical posts to be considered for funding to avoid overspending.

Notes:

In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months (1 April 2023–31 March 2024)

Reasons for vacancies not advertised within six months
In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.
Reasons for vacancies not filled within six months
In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

Notes:

In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

3.4 Job evaluation

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

Table 3.4.1 Job evaluation by salary band (1 April 2023–31 March 2024)

Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (levels 1–2)	3	0	0%	0	0	0	0
Skilled (levels 3–5)	113	0	0%	0	0	0	0
Highly skilled production (levels 6–8)	287	0	0%	0	0	0	0
Highly skilled supervision (levels 9–12)	288	0	0%	0	0	0	0
Senior management service band A	71	0	0%	0	0	0	0
Senior management service band B	28	0	0%	0	0	0	0
Senior management service band C	6	3	50%	0	0	0	0
Senior management service band D	1	1	100%	0	0	0	0
TOTAL	797	4	1%	0	0	0	0

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded (1 April 2023–31 March 2024)

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

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation (1 April 2023–31 March 2024)

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

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation (1 April 2023–31 March 2024)

Total number of employees whose salaries exceeded the grades determine by job evaluation	None
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3.5 Employment changes

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

Table 3.5.1 Annual turnover rates by salary band (1 April 2023–31 March 2024)

Salary band	Number of employees at beginning of period (1 April 2023)	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (levels 1–2)	0	0	0	0
02 Skilled (levels 3–5), Permanent	88	0	5	2.7%
03 Highly skilled production (levels 6–8), Permanent	233	1	11	2.2%
04 Highly skilled supervision (levels 9–12), Permanent	240	0	7	1.4%
Senior management (13–16)	78	0	0	0
TOTAL	639	1	72	4.8%

Table 3.5.2 Annual turnover rates by critical occupation (1 April 2023–31 March 2024)

Critical occupation	Number of employees at beginning of period (April 2023)	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Communication And Information Related, Permanent	10	1	1	7%
Community Development Workers, Permanent	17	0	1	3%
Computer System Designers And Analysts., Permanent	15	0	0	0%
Finance And Economics Related, Permanent	9	0	0	0%
Financial Clerks And Credit Controllers, Permanent	29	0	0	0%
Information Technology Related, Permanent	6	0	0	0%
Other Information Technology Personnel., Permanent	8	0	0	0%
Senior Managers, Permanent	87	3	7	4%
Social Sciences Related, Permanent	49	0	1	1%
Social Work And Related Professionals, Permanent	76	0	4	2%
TOTAL	306	4	72	4.8%

Notes:

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

Critical occupations are defined as occupations or sub-categories within an occupation –

- in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
- for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

The table below identifies the major reasons why staff left the department.

Table 3.5.3 Reasons why staff left the department (1 April 2023–31 March 2024)

Termination Type	Number	% of total resignations
Death	2	2%
Resignation	30	34%
Expiry of contract	48	53%
Dismissal – operational changes	0	0%
Dismissal – misconduct	0	0%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	6	7%
Transfer to other public service departments	4	4%
Other	0	0%
TOTAL	90	100%
Total number of employees who left as a % of total employment	10.6%	100%

The staff establishment on 11 March 2024 was 850.

The total number of employees who left the depart during the financial year were ninety (90) which translate to 10.6%

Table 3.5.4 Promotions by critical occupation (1 April 2023–31 March 2024)

Occupation	Employees (1 April 2023)	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
Communication and Information Related	10	10	0	5	36%
Community Development Workers	17	17	0	6	20%
Computer System Designers and Analysts.	15	15	0	6	33%
Finance and Economics Related	9	9	0	0	0%
Financial Clerks and Credit Controllers	29	0	0	3	8%
Information Technology Related	6	0	0	6	50%
Other Information Technology Personnel.	8	0	0	2	14%
Senior Managers	87	0	0	61	33%
Social Sciences Related	49	0	0	31	42%
Social Work and Related Professionals	76	0	0	38	17%
TOTAL	306	0	0	158	52%

Table 3.5.5 Promotions by salary band (1 April 2023–31 March 2024)

Salary band	Employees (1 April 2023)	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)	0	0	0%	0	0%
02 Skilled (levels 3–5), Permanent	88	0	0%	80	43%
03 Highly skilled production (levels 6–8), Permanent	233	0	0%	138	28%
04 Highly skilled supervision (levels 9–12), Permanent	240	0	0%	160	32%
05 Senior management (levels >= 13), Permanent	78	0	0%	61	38%
Total	639	0	0%	439	31%

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 2024

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 - Senior officials and managers	31	0	1	4	32	2	3	4	77
02 - Professionals	67	1	0	1	148	5	2	7	231
03 - Technicians and associate professionals	29	0	1	4	50	2	1	2	89
04 - Clerks	80	0	1	0	223	3	2	5	31
05 - Service shop and market sales workers	5	0	0		4	0		0	9
08 - Plant and machine operators and assemblers	1	0	0	0	0	0	0	0	1
09 - Labourers and related workers	4	0	0	0	5	0	0	0	9
Clerical support workers	8	0	0	0	23	0	0	0	31
Elementary	3	0	0	0	5	0	0	0	8
Managers	7	0	1	0	6	0	0	0	14
Professionals	13	0	0	0	48	1	0	1	63
Protect rescue social health science support pers	0	0	0	0	1	0	0	0	1
Technicians & associate technical occupations	0	0	0	0	3	0	0	0	3
Total	248	1	4	9	548	13	8	19	850
Employees with disabilities	5	0	0	0	9	0	0	0	14

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	2	0	0	0	3	0	0	0	5
Senior management	32	0	1	4	29	1	2	4	73
Professionally qualified and experienced specialists and mid-management	73	1	1	5	144	6	3	7	240
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	68	0	0	0	154	4	2	5	233
Semi-skilled and discretionary decision making	33	0	1	0	53	0	0	1	88
Unskilled and defined decision making	12	0	0	0	96	0	0	0	108
08 Contract (top management)	1	0	0	0	1	0	0	0	2
09 Contract (senior management)	1	0	1	0	2	1	1	0	6
10 Contract (professionally qualified)	10	0	0	0	25	1	0	2	38
11 Contract (skilled technical)	9	0	0	0	22	0	0	0	31
12 Contract (semi-skilled)	7	0	0	0	18	0	0	0	25
13 Contract (unskilled)	0	0	0	0	1	0	0	0	1
TOTAL	248	1	4	9	548	13	8	19	850

Table 3.6.3 Recruitment (1 April 2023–31 March 2024)

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
07 Not available, Permanent	12	0	0	0	99	0	0	0	111
Senior management, Permanent	1	0	1	0	0	0	0	0	2
Professionally qualified, Permanent	4	0	0	0	23	2	0	2	31
Skilled technical, Permanent	3	0	0	0	13	0	0	0	16
Semi-skilled, Permanent	10	0	0	0	16	0	0	0	26
TOTAL	30	0	1	0	151	2	0	2	186
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions (1 April 2023–31 March 2024)

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	1	0	0	0	1	0	0	0	2
Senior management	25	0	1	2	25	1	2	3	59
Professionally qualified and experienced specialists and mid-management	54	1	0	3	89	5	3	5	160
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	40	0	0	0	91	2	1	4	138
Semi-skilled and discretionary decision making	33	0	1	0	45	0	0	1	80
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
09 Contract (senior management)	1	0	0	0	1	1	1	0	4
10 Contract (professionally qualified)	5	0	0	0	10	0	0	1	16
11 Contract (skilled technical)	1	0	0	0	7	0	0	0	8
12 Contract (semi-skilled)	2	0	0	0	7	0	0	0	9
13 Contract (unskilled)	0	0	0	0	1	0	0	0	1
TOTAL	162	1	2	5	277	9	7	14	477
Employees with disabilities	2	0	0	0	4	0	0	0	6

Table 3.6.5 Terminations (1 April 2023–31 March 2024)

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
02 Senior management, Permanent	0	0	2	0	0	0	0	1	3
03 Professionally qualified and experienced specialists and mid-management, Permanent	2	0	0	0	3	1	0	1	7
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	5	0	0	0	5	1	0	0	11
05 Semi-skilled and discretionary decision making, Permanent	2	0	0	0	3	0	0	0	5
Unskilled and defined decision making	0	0	0	0	3	0	0	0	3
09 Contract (senior management)	3	0	0	0	1	0	0	0	4
10 Contract (professionally qualified)	0	0	0	0	11	1	0	1	13
11 Contract (skilled technical)	2	0	0	0	9	0	0	0	11
12 Contract (semi-skilled)	7	0	0	0	8	0	0	0	15
TOTAL	21	0	2	0	43	3	0	3	72
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary action (1 April 2023–31 March 2024)

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	0	0	0	0	0	0	0	0	0

Table 3.6.7 Skills development (1 April 2023–31 March 2024)

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	12	0	0	2	20	0	1	3	38
Professionals	35	1	1	2	81	1	2	3	126
Technicians and associate professionals	23	0	0	0	39	3	0	1	66
Clerks	34	0	1	0	90	0	1	1	127
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	104	1	2	4	230	4	4	8	357
Employees with disabilities	2	0	0	0	4	0	0	0	6

3.7 Signing of performance agreements by SMS members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 3.7.1 Signing of performance agreements by SMS members as on 31 May 2023

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
Director-General/Head of Department	1	0	0	0%
Salary level 16	1	0	0	0%
Salary level 15	6	3	3	100%
Salary level 14	27	27	27	100%
Salary level 13	57	57	57	100%
TOTAL	92	87	87	100%

Notes:

In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2022.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 May 2023

Reasons
NONE

Notes:

The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 May 2023

Reasons
NONE

Notes:

The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

3.8 Performance rewards

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

Table 3.8.1 Performance rewards by race, gender and disability (1 April 2023–31 March 2024)

Race and gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	0	251	0	0	0
Female	0	440	0	0	0
Asian					
Male	0	4	0	0	0
Female	0	8	0	0	0
Coloured					
Male	0	1	0	0	0
Female	0	13	0	0	0
White					
Male	0	9	0	0	0
Female	0	18	0	0	0
TOTAL	0	744	0	0	0

Table 3.8.2 Performance rewards by salary band for personnel below SMS (1 April 2023–31 March 2024)

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	
Lower skilled (Levels 1–2)	0	1	0	0	0	0
Skilled (level 3–5)	0	108	0	0	0	0
Highly skilled production (level 6–8)	0	268	0	0	0	0
Highly skilled supervision (level 9–12)	0	280	0	0	0	0
TOTAL	0	657	0	0	0	0

Table 3.8.3 Performance rewards by critical occupation (1 April 2023–31 March 2024)

	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Financial Clerks and Credit Controllers	0	16	0	0	0
Social Sciences Related	0	41	0	0	0
Financial and Related Professionals	0	24	0	0	0
Communication and Information Related	0	4	0	0	0
Social Work and Related Professionals	0	109	0	0	0
Senior Managers	0	87	0	0	0
Client Inform Clerks (Switchboard Reception Information Clerks)	0	9	0	0	0
Computer System Designers and Analysts.	0	10	0	0	0
Other Information Technology Personnel.	0	7	0	0	0
Information Technology Related	0	7	0	0	0
TOTAL	0	314	0	0	0

Notes:

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

Critical occupations are defined as occupations or sub-categories within an occupation –

- in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
- for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service (1 April 2023–31 March 2024)

Salary band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
Band A	0	57	0	0	0	0
Band B	0	27	0	0	0	0
Band C	0	3	0	0	0	0
Band D	0	0	0	0	0	0
TOTAL	0	87	0	0	0	0

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 (1 April 2023–31 March 2024)

Salary band	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Level 6–8)	0	0	0	0	0	0
Highly skilled supervision (Level 9–12)	0	0	0	0	0	0
Senior Management (Level 13–16)	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2023 and 31 March 2024

Major occupation	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% change
Administrative office workers	0	0%	0	0%	0	0%
Professionals and managers	0	0%	0	0%	0	0%

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2023 to 31 December 2024

Salary band	Total days	% Days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skilled (levels 1–2)	0	0	0	0	0	0
Skilled (levels 3–5)	691	19.20	84	15	8	773
Highly skilled production (levels 6–8)	1 708	23.50	225	39	8	2 899
Highly skilled supervision (levels 9–12)	1 701	21.90	212	37	8	5 854
Top and senior management (levels 13–16)	308	26.30	51	9	6	1 558
TOTAL	4 408	22.40	572	100	8	11 084

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2023 to 31 December 2023

Salary band	Total days	% Days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Lower skilled (levels 1–2)	0	0	0	0	0	0
Skilled (levels 3–5)	204	100	1	5.30	204	223
Highly skilled production (levels 6–8)	276	100	10	52.60	28	441
Highly skilled supervision (levels 9–12)	281	100	6	31.6	47	950
Senior management (levels 13–16)	97	100	2	10.50	49	444
TOTAL	858	100	19	100	45	2 058

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

Table 3.10.3 Annual leave for the period 1 January 2023 to 31 December 2023

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (levels 1–2)	9	9	1
Skilled (levels 3–5)	2,424	21	117
Highly skilled production (levels 6–8)	7,080	24	296
Highly skilled supervision (levels 9–12)	7,512	25	296
Senior management (levels 13–16)	2,412	27	90
TOTAL	19,437	24	800

Table 3.10.4 Capped leave for the period 1 January 2023 to 31 December 2023

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
Lower skilled (levels 1–2)	0	0	0	0
Skilled (levels 3–5)	0	0	0	1
Highly skilled production (levels 6–8)	0	0	0	19
Highly skilled supervision (levels 9–12)	2	2	1	42
Senior management (levels 13–16)	17	3	6	24
TOTAL	19	5	7	86

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

Table 3.10.5 Leave payouts (1 April 2023–31 March 2024)

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual leave – discount with resignation (working days)	379	10	38
Annual leave – discounting: Contract expiry (working days)	338	17	20
Annual leave – Unused vacation leave credits (working days)	486	6	81
Current leave payout on termination of service for 2023/24	466	6	78
Capped leave payouts on termination of service for 2023/24	1 388	5	278
TOTAL	3 058	44	70

3.11 HIV/AIDS and 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	NONE

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
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.	☒		Chief Director: Human Capital Management
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.	☒		1 x Deputy Director: Employee health and wellness 3 x health care practitioners
Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/ services of this Programme.	☒		Gems Wellness screening: 103 employees attended The following proactive programmes were conducted: Mental health awareness session, financial wellness seminar, diabetes awareness session, cancer awareness session and hypertension awareness session
Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2016, as amended? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	☒	☒	EHW participated in the following: Employment Equity forum Occupational Health and Safety Committee Disability Forum Women's Forum.
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.	☒		HIV/Aids and TB Management Policy, wellness management and health and productivity management are implemented.
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.	☒		EHW counselling services is provided internally by the EHW practitioners to all employees who need counselling and support services.
Does the department encourage its employees to undergo HIV Counselling and testing and TB screenings? If so, list the results that you have achieved.	☒		HIV counselling and testing was conducted: Total:66, of which 4 positive and 62 negative.
Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	☒		The EHW quarterly reports and EHW annual reports, EHW systems monitoring report was compiled.

3.12 Labour relations

Table 3.12.1 Collective agreements (1 April 2023–31 March 2024)

Subject matter	Date
Amendment of Resolution 01 of 2022: Agreement on the Provision of Uniform for Nurses in the Public Health and Social Development Sector	04 October 2023
Resolution 2 of 2023: Agreement on Provision of Token of Appreciation to all Qualifying Department of Health and Social Development Employees	07 November 2023

The following tables summarise the outcomes of disciplinary hearings conducted within the department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised (1 April 2023–31 March 2024)

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	0	0%
Written warning	0	0%
Final written warning	1	50%
Suspended without pay	0	0%
Fine	0	0%
Demotion	0	0%
Dismissal	0	0%
Not guilty	0	0%
Case withdrawn	1	50%
TOTAL	2	100%

Table 3.12.3 Types of misconduct addressed at disciplinary hearings (1 April 2023–31 March 2024)

Type of misconduct	Number	% of total
Absenteeism	1	33.3%
Inappropriate or unacceptable behaviour	1	33.3%
Verbal abuse and harassment	1	33.3%
TOTAL	3	100%

Table 3.12.4 Grievances logged (1 April 2023–31 March 2024)

Grievances	Number	% of total
Number of grievances resolved	19	95%
Number of grievances not resolved	1	5%
Total number of grievances lodged	20	100%

Table 3.12.5 Disputes logged with Councils (1 April 2023–31 March 2024)

Disputes	Number	% of total
Number of disputes upheld	1	20%
Number of disputes dismissed	4	80%
Total number of disputes lodged	5	100%

Table 3.12.6 Strike actions (1 April 2023–31 March 2024)

Total number of persons working days lost	None
Total costs working days lost	R0.00
Amount recovered as a result of no work no pay (R'000)	

Table 3.12.7 Precautionary suspensions (1 April 2023–31 March 2024)

Number of people suspended	None
Number of people whose suspension exceeded 30 days	
Average number of days suspended	
Cost of suspension(R'000)	

3.13 Skills development

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

Table 3.13.1 Training needs identified (1 April 2023–31 March 2024)

Occupational category	Gender	Number of employees as at 1 April 2023	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	53	0	44	20	64
	Male	52	0	38	31	69
Professionals	Female	116	0	88	23	111
	Male	55	0	61	11	72
Technicians and associate professionals	Female	60	0	117	0	117
	Male	52	0	36	0	36
Clerks	Female	311	0	95	0	95
	Male	151	0	27	0	27
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub-total	Female	540	0	344	43	387
	Male	310	0	162	42	204
TOTAL		850	0	506	85	591

Table 3.13.2 Training provided (1 April 2023–31 March 2024)

Occupational category	Gender	Number of employees as at 1 April 2023	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	53	0	20	18	38
	Male	52	0	6	24	30
Professionals	Female	116	0	96	37	133
	Male	55	0	41	13	54
Technicians and associate professionals	Female	60	0	49	7	56
	Male	52	0	25	4	29
Clerks	Female	311	0	120	10	130
	Male	151	0	56	3	59
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub-total	Female	540	0	285	72	357
	Male	310	0	128	44	172
TOTAL		850	0	413	116	529

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty (1 April 2023–31 March 2024)

Nature of injury on duty	Number	% of total
Required basic medical attention only	2	100%
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
TOTAL	2	100%

3.15 Severance packages

Table 3.15.1 Granting of employee initiated severance packages (1 April 2023–31 March 2024)

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

3.16 Utilisation of consultants

The following tables relate to information on the utilisation of consultants in the department. In terms of the Public Service Regulations, “consultant” means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- The rendering of expert advice.
- The drafting of proposals for the execution of specific tasks.
- The execution of a specific task which is of a technical or intellectual nature but excludes an employee of a department.

Table 3.16.1 Report on consultant appointments using appropriated funds (1 April 2023–31 March 2024)

Project title	Total number of consultants that worked on project	Duration work days)	Contract value in Rand
Appointment of a service provider to update and finalise the non-profit organisations policy framework document	1	36 days	R738 000
Appointment of a service provider to develop a social assistance policy for children and adults with disabilities	4	42 days	R878 292
Appointment of a service provider to conduct an implementation evaluation of the training of community development practitioners on community development practice and methodologies	4	48 days	R994 750
Appointment of a service provider to provide to conduct forensic investigations/auditing services for the department of Social Development - NPO Chief Directorate	5	22 days	R860 710
Appointment of a content specialist to conduct the profiling of learners receiving social protection and produce six reports	6	43 days	R999 300
Appointment of a service provider to refine , edit and proofread the draft strategy for employment of Social Service Professionals	2	18 days	R323 400
Appointment of a service provider to develop developmental quality assurance framework for child and youth care centres	4	20 days	R498 445
Asset verification	16	42 days	R991 056
TOTAL	42	193 days	R6 283 953

Table 3.16.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) (1 April 2023–31 March 2024)

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Appointment of a service provider to update and finalise the non-profit organisations policy framework document	100%	100%	1
Appointment of a service provider to develop a social assistance policy for children and adults with disabilities	75%	75%	4
Appointment of a service provider to conduct an implementation evaluation of the training of community development practitioners on community development practice and methodologies	100%	100%	4
Appointment of a service provider to provider to conduct forensic investigations/auditing services for the Department of Social Development – NPO Chief Directorate	100%	100%	5
Appointment of a content specialist to conduct the profiling of learners receiving social protection and produce six reports	100%	100%	6
Appointment of a service provider to refine, edit and proofread the draft Strategy for Employment of Social Service Professionals	100%	100%	2
Appointment of a service provider to develop developmental quality assurance framework for child and youth care centres	100%	100%	4
Asset verification	100%	100%	16

Table 3.16.3 Report on consultant appointments using donor funds (1 April 2023–31 March 2024)

Project title	Total number of consultants that worked on project	Duration (work days)	Donor and contract value
Completion of three community centres in Elandsdoorn, Mamvuka and Tautsoala (Limpopo Province)	One consultant: GOPA	180 days	R16.8 million

Table 3.16.4 Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs) (1 April 2023–31 March 2024)

Total number of projects	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
01	100%	100%	34

4 IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

Irregular expenditure

Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	34 402	19 352
Adjustment to opening balance		
Opening balance as restated		
Add: Irregular expenditure confirmed	5 845	18 239
Less: Irregular expenditure condoned	41	
Less: Irregular expenditure not condoned and removed		3 189
Less: Irregular expenditure recoverable		
Less: Irregular expenditure not recoverable and written off		
Closing balance	40 206	34 402

Cases of irregular expenditure have been investigated and will be presented to the Loss Control Committee during the 2024/2025 financial year.

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment		0
Irregular expenditure that relates to the prior year and identified in the current year		
Irregular expenditure for the current year	5 845	18 239
TOTAL	5 845	18 239

Details of irregular expenditure (under assessment, determination, and investigation)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment		
Irregular expenditure under determination		
Irregular expenditure under investigation	5 845	
TOTAL		

Include discussion here where deemed relevant.

Details of irregular expenditure condoned

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure condoned	41	
TOTAL		
Include discussion here where deemed relevant. Over-expenditure due to unfavourable foreign currency translation. Over-expenditure not approved by National Treasury in line with Treasury Regulation 6.3.1(b)		

Details of irregular expenditure removed - (not condoned)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed		
TOTAL		
Include discussion here where deemed relevant.		

Details of irregular expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure recoverable		
TOTAL		
Include discussion here where deemed relevant.		

Details of irregular expenditure written off (irrecoverable)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure written off		
TOTAL		
Include discussion here where deemed relevant.		

Additional disclosure relating to Inter-Institutional Arrangements

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
TOTAL
Include discussion here where deemed relevant.

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

Description	2023/2024	2022/2024
	R'000	R'000
TOTAL		
Include discussion here where deemed relevant.		

Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Reprimand letter issued in respect case reference no: 16 of 2022/2023. Reference case no: 07 of 2022/2023 reprimand recommended.
Include discussion here where deemed relevant. Reprimand letter issued in respect case reference no: 16 of 2022/2023. Reference case no: 07 of 2022/2023 reprimand recommended.

Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	448	602
Adjustment to opening balance		
Opening balance as restated		
Add: Fruitless and wasteful expenditure confirmed	164	303
Less: Fruitless and wasteful expenditure recoverable		401
Less: Fruitless and wasteful expenditure not recoverable and written off		56
Closing balance	612	448
Cases of fruitless and wasteful expenditure has been investigated and will be presented to the Loss Control Committee during the 2024/2025 financial year.		

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment		
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year		
Fruitless and wasteful expenditure for the current year	164	
TOTAL	164	

Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure under assessment		
Fruitless and wasteful expenditure under determination		
Fruitless and wasteful expenditure under investigation	164	119
TOTAL	164	119
Include discussion here where deemed relevant.		

Details of fruitless and wasteful expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure recoverable		401
TOTAL		401
Include discussion here where deemed relevant.		

Details of fruitless and wasteful expenditure not recoverable and written off

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off		56
TOTAL		56
Include discussion here where deemed relevant.		

Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
Officials were issued with letters of recovery for fruitless and wasteful expenditure incurred.
TOTAL
Include discussion here where deemed relevant.

Unauthorised expenditure

Reconciliation of unauthorised expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	15 133 788	15 133 788
Adjustment to opening balance		
Opening balance as restated	15 133 788	15 133 788
Add: unauthorised expenditure confirmed		
Less: unauthorised expenditure approved with funding		
Less: unauthorised expenditure approved without funding		
Less: unauthorised expenditure recoverable		
Less: unauthorised not recoverable and written off		
Closing balance	15 133 788	15 133 788

Include discussion here where deemed relevant.

Unauthorised Expenditure:

The National Department of Social Development appeared before SCOPA on 17 October 2023 to present the overspending of R15.133 on Transfers and Subsidies for the 2020/21 financial year, which relate to grants payments moved forward to 30 March 2020. SCOPA has regularised the unauthorised expenditure for the Department. However, the Department is still awaiting the confirmation letter from the National Treasury.

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Unauthorised expenditure that was under assessment	0	0
Unauthorised expenditure that relates to the prior year and identified in the current year		
Unauthorised expenditure for the current year		
TOTAL	0	

Details of unauthorised expenditure (under assessment, determination, and investigation)

Description	2023/2024	2022/2023
	R'000	R'000
Unauthorised expenditure under assessment	0	0
Unauthorised expenditure under determination		
Unauthorised expenditure under investigation		
TOTAL	0	0

Include discussion here where deemed relevant.

The National Department of Social Development appeared before SCOPA on 17 October 2023 to present the overspending of R15.133 on Transfers and Subsidies for the 2020/21 financial year, which relate to grants payments moved forward to 30 March 2020. SCOPA has regularised the unauthorised expenditure for the Department. However, the Department is still awaiting the confirmation letter from the National Treasury.



PART

E

FINANCIAL INFORMATION

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO.19: 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 160 to 223, which comprise the appropriation statement, statement of financial position as at 31 March 2024, 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 2024 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standards (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa 1 of 1999 (PFMA).

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.

Other matters

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

Unaudited supplementary schedules

7. The supplementary information set out on pages XX to XX 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.

Responsibilities of the accounting officer for the financial statements

8. 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 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.
9. 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

10. 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.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 156 of the annexure to the auditor's report, forms part of our auditor's report.

Report on the audit of the annual performance report

12. 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 the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
13. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 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.

Programme	Page numbers	Purpose
Social security policy administration	153	Provide for social security policy development, administrative justice, the administration of social grants, and the reduction of incorrect benefit payments.
Welfare services policy development and implementation support	153	Create an enabling environment for the delivery of equitable developmental welfare services through the formulation of policies norms and standards and best practices, and support implementing agencies.

14. 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.
15. 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
 - all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so 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 those 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 and is comparable and understandable.
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
17. I did not identify any material findings on the reported performance information for programme 3: social security policy administration.
18. The material findings on the reported performance information for the selected programme are as follows:

Programme 4: Welfare services policy development and implementation support

Various indicators

19. Various indicators and their targets were not clearly defined during the planning process. Consequently, the indicator is not useful for measuring and reporting on progress against planned objectives.

Indicator	Target	Detail
At least one gender-based violence (GBV) shelter established in each district.	Establish and operationalize at least one (1) GBV shelter and one (1) Khuseleka centre in each district by 31 March 2024.	Data cannot be consistently collected as it is unclear what the 'establish in each district' refers to. When read, it is assumed that the indicator refers to 'each district' as the number of districts in South Africa which comprises of 52 districts. Therefore, the target is 52. However, management refers to 'establish in each district' as the districts where gaps were identified, meaning districts where no shelters has been established, which is not clearly defined. The absence of a well-documented Technical Indicator Descriptions (TIDs) and standard operating procedures which clearly describe the indicator, amplifies the deficiencies noted in measurability as there is no documentation to clarify the ambiguity.
At least one (1) Khuseleka centre established in each district.	One (1) Khuseleka centre per district that are operational with full services and capacitated.	Data cannot be consistently collected as it is unclear what the 'establish in each district' refers to. When read, it is assumed that the indicator refers to 'each district' as the number of districts in South Africa which comprises of 52 districts. Therefore, the target is 52. However, management refers to 'establish in each district' as the districts where gaps were identified, meaning districts where no centres has been established, which is not clearly defined. It was further clarified that management is intending on establishing Khuseleka centres in each province and not each district. Therefore, the indicator is incorrectly written in the APP. The absence of a well-documented TIDs and standard operating procedures which clearly describe the indicator, amplifies the deficiencies noted in measurability as there is no documentation to clarify the ambiguity.

Various indicators

20. Based on the audit evidence, the actual achievements for two indicators did not agree to what was reported. I could not determine the actual achievements, but I estimated them to be materially less. Consequently, the achievements against the targets were lower than reported.

Indicator	Target	Reported achievement
Number OVCY in G2G Districts provided with core package of services.	Provide seventy thousand (70000) OVCY in G2G districts with core package of services.	Provided 99359 OVCY in G2G districts with core package of services.
% of OVCY (in G2G districts) with HIV positive results supported to adhere to treatment.	Support 95% of OVCY (in G2G district) with HIV positive results to adhere to (ART) treatment.	Supported 100% (1774 of 1774) of OVCY who know their HIV positive status in G2G contracted organisations to adhere to treatment.

Percentage of OVCY (who know their HIV status) in G2G districts provided with core package of services

21. An achievement of 88% was reported against a target of 70%. 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 target was not achieved.

Other matters

22. I draw attention to the matters below.

Achievement of planned targets

23. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements. This information should be considered in the context of the material findings on the reported performance information.
24. The tables that follow provides information on the achievement of planned targets and list the key indicators that were not achieved as reported in the annual performance report. The reasons for any under achievement of targets are included in the annual performance report on pages XX to XX.

Programme 3: Social security policy administration

Targets achieved: 85.7% Budget spent: 99.8%		
Key indicator not achieved	Planned target	Reported achievement
Social security Bill approved	Develop draft White Paper on Comprehensive Social Security.	The target was not achieved. Cabinet considered and approved the publication and call for public comments on the revised Green Paper on Comprehensive Social Security. This is an important step towards the development of the draft White Paper on Comprehensive Social Security.

Programme 4: Welfare services policy development and implementation support

Targets achieved: 84% Budget spent: 97.1%		
Key indicator not achieved	Planned target	Reported achievement
Community-based system for personal assistance to support independent living within the community for persons with disabilities implemented	Conduct research to map social development services supporting independent living within the community for persons with disabilities.	Service provider to map social development services to support independent living within the community for persons with disabilities was not appointed.
Prevention of and Treatment for Substance Use Disorders Policy approved.	Submit the Prevention of and Treatment for Substance Use Disorders Policy to Cabinet for approval.	The draft policy was submitted to Cabinet for approval to publish for public comments. The policy was gazetted, and the public comments were integrated into the draft policy which was presented to SPCHD Cluster for approval before it can be submitted to Cabinet. The cluster supported the tabling of the policy before Cabinet for approval.
At least one (1) GBV shelter established in each district.	Establish and operationalise at least one (1) GBV shelter and one (1) Khuseleka Centre in each district by 31 March 2024.	A total of three GBV shelters were established and operationalised in partnership with NGOs as follows: 1. Free State - Koffiefontein town in the Xhariep District 2. KwaZulu-Natal King Cetshwayo District 3. North West in Mafikeng Town, in the Ngaka Modiri Molema District. However, the Khuseleka One Stop Centre was not established.
At least one (1) Khuseleka centre established in each district.	one (1) Khuseleka centre per district that are operational with full services and capacitated.	Saartjie Baartman Khuseleka Centre in the City of Cape Town district (Manenberg) was established and operational with full services and capacitated.

Material misstatements

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Programme 3: Social security policy administration and Programme 4: Welfare services policy development and implementation support. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

26. 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.
27. 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.
28. 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.
29. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

30. 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.
31. 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.

32. 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.
33. The other information I obtained prior to the date of this auditor's report is the Internal Control Unit Report. The Report of the Accounting Officer, the Audit Committee and Internal Audit Report and Human Resource Management information are expected to be made available to us after 31 July 2024.
34. 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. I have nothing to report in this regard.
35. When I do receive and read the Report of the Accounting Officer, the Audit Committee and Internal Audit Report and Human Resource Management 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

36. 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.
37. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report.
38. There is an inadequate review process for the annual performance report to ensure performance information is consistent with the annual performance plan and fairly present the state of affairs of the department.
39. Management did not establish well documented TIDs to ensure that the indicators have a clear, unambiguous definition so that data will be collected consistently, and be easy to understand and use and that they are measurable due to poor planning.

Material irregularities

40. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Status of previously reported material irregularities

Assets acquired at prices higher than market value

41. The department procured capital assets in the 2021–22 financial year which exceeded the market prices for those assets, in contravention of section 45 (b) of the Public Financial Management Act. During the audit of the 2021–22 financial year, I identified six (6) transactions for which the purchase price accepted and paid by the department significantly exceeded their respective market prices.
42. The accounting officer was notified of the material irregularity on 20 February 2023. The accounting officer's response to the notification, on 31 March 2023, provided a comprehensive account of the circumstances that led to the material irregularity, steps taken to address the material irregularity, and recourse to recover the financial loss incurred.

43. A private firm was appointed to investigate the possible fraud and corruption and to provide full assessment of internal control deficiencies within the supply chain management environment and proposals on controls to be implemented to circumvent similar findings. The forensic investigation was concluded on 15 November 2023 and recommendations were made to address the MI which included that management take appropriate corrective action against officials implicated in the investigation report.
44. The department is implementing the outcomes of the forensic investigations and completed drafting of charges for employees implicated in the investigation report. The disciplinary hearings will commence on 2 August 2024.
45. I will follow up on the finalisation of formal disciplinary process during my next audit.

Auditor-General

Pretoria

31 July 2024



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

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

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

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

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.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with the mall 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

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 1 Section 38(1)(b); 38(1)(c)(ii); 38(1)(d);38(1)(h)(iii); 38(1)(U) Section 39(1)(a); 39(2)(a) Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(1); 43(4) Section 44(1); 44(2) Section 45(b);
Treasury Regulations, 2005	Regulation 4.1.1;4.1.3 Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Regulation 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b); Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Regulation 9.1.1; 9.1.4 Regulation 10.1.1(a); 10.1.2 Regulation 12.5.1; Regulation 15.10.1.2(c); Regulation16A3.2; 16A3.2(a) Regulation 16A6.1 Regulation 16A6.2(a); 16A6.2(b) Regulation 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); Regulation 16A6.4; Regulation 16A6.5; Regulation 16A6.6 Regulation 16A7.1; 16A7.3; 16A7.6; 16A7.7 Regulation 16A8.3; 16A8.4; Regulation 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii) Regulation16A9.2(a)(ii); 16A9.2(a)(iii); Regulation 17.1.1; 18.2 Regulation 19.8.4
Construction Industry Development Board Act 38 of 2000	Section18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25 (7A)
Division of Revenue Act 5 of 2023	Section16 (1)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Health Act 61 of 2003	Section 13
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction No.1 of 2021/22	Paragraph 4.1
National Treasury Instruction No.4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No.4A of 2016/17	Paragraph 6
National Treasury Instruction No.7 of 2017/18	Paragraph 4.3
PFMA National Treasury SCM Instruction No.03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4;4.4(a); 4.17;7.2; Paragraph 7.6

Legislation	Sections or regulations
National Treasury SCM Instruction No.11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No.2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1(b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2;
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34 (1)
State Information Technology Agency Act 88 of 1998	Section 7 (3)

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

Table of Contents

Appropriation Statement	160
Notes to the Appropriation Statement	168
Statement of Financial Performance	170
Statement of Financial Position	171
Statement of Changes in Net Assets	172
Cash Flow Statement	173
Notes to the Annual Financial Statements (including Accounting Policies)	174
Annexures	206

APPROPRIATION STATEMENT

for the year ended 31 March 2024

Voted funds and direct charges	2023/24							2022/23	
	Adjusted appropriation	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	431 795	–	24 595	456 390	453 550	2 840	99.4%	540 485	539 076
2. Social Assistance	252 106 553	–	–	252 106 553	250 545 720	1 560 833	99.4%	239 132 592	233 037 419
3. Social Security Policy and Administration	7 681 259	–	(26 855)	7 654 404	7 636 210	18 194	99.8%	7 505 989	7 489 527
4. Welfare Services Policy Development and Implementation Support	312 773	–	–	312 773	303 829	8 944	97.1%	313 492	295 255
5. Social Policy and Integrated Service Delivery	361 595	–	2 260	363 855	361 032	2 823	99.2%	362 334	360 587
TOTAL	260 893 975	–	–	260 893 975	259 300 341	1 593 634	99.4%	247 854 892	241 721 864
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				59 439				332 075	
NRF Receipts				–				–	
Aid assistance				70 513				21 668	
Actual amounts per Statement of Financial Performance (Total revenue)	261 023 927							248 208 635	
Add:									
Aid assistance					66 177				27 343
Prior year unauthorised expenditure approved without funding									
Actual amounts per Statement of Financial Performance (Expenditure)	259 366 518							241 749 207	

APPROPRIATION STATEMENT

for the year ended 31 March 2024

Appropriation per economic classification									
R'000	2023/24							2022/23	
	Adjusted 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	
Current payments	929 497	(4 473)	–	925 024	899 812	25 212	97.3%	1 013 136	983 457
Compensation of employees	536 177	–	–	536 177	521 762	14 415	97.3%	522 826	512 875
Salaries and wages	478 453	(7 535)	996	471 914	458 390	13 524	97.1%	461 262	452 269
Social contributions	57 724	7 535	(996)	64 263	63 372	891	98.6%	61 564	60 606
Goods and services	393 320	(4 473)	–	388 847	377 750	11 097	97.1%	490 310	470 582
Administrative fees	6 556	(1 984)	(252)	4 320	3 826	494	88.6%	5 966	5 428
Advertising	20 018	(4 930)	(1 353)	13 735	13 379	356	97.4%	24 078	23 286
Minor assets	3 083	(1 571)	(550)	962	368	594	38.3%	2 715	573
Audit costs: External	20 534	1 540	570	22 644	22 637	7	100.0%	22 300	22 031
Bursaries: Employees	1 370	220	(100)	1 490	1 360	130	91.3%	1 356	1 065
Catering: Departmental	13 616	(2 530)	1 179	12 265	11 798	467	96.2%	12 305	7 350
Communication (G&S)	7 308	(1 578)	9 776	15 506	15 264	242	98.4%	91 518	90 381
Computer services	48 778	1 223	(1 348)	48 653	48 716	(63)	100.1%	47 008	40 440
Consultants: Business adv	59 729	1 068	(1 674)	59 123	57 852	1 271	97.9%	50 908	44 959
Legal services	1 047	1 255	126	2 428	2 255	173	92.9%	4 577	6 256
Contractors	5 955	5 706	1 000	12 661	11 677	984	92.2%	11 688	12 334
Agency and support serv	410	3	–	413	167	246	40.4%	440	374
Entertainment	349	92	(55)	386	222	164	57.5%	312	126
Fleet services (GG)	5 678	3 060	720	9 458	9 089	369	96.1%	10 057	9 140
Consumable supplies	3 483	(2 148)	–	1 335	1 443	(108)	108.1%	2 831	2 093
Consumable: Stationery	11 071	(1 154)	(900)	9 017	8 270	747	91.7%	15 969	10 398
Operating leases	37 104	(87)	(460)	36 557	36 422	135	99.6%	32 805	35 575
Property payments	13 547	(2 115)	(100)	11 332	11 311	21	99.8%	15 300	19 819
Transport provided:	711	(536)	(150)	25	25	–	100.0%	1 129	–
Travel and subsistence	80 681	(8 551)	(3 080)	69 050	66 093	2 957	95.7%	80 249	76 401
Training and development	7 255	(1 386)	(839)	5 030	4 557	473	90.6%	7 450	3 519
Operating payments	8 983	6 116	(1 380)	13 719	12 926	793	94.2%	10 135	12 372
Venues and facilities	32 169	2 246	(1 100)	33 315	32 724	591	98.2%	35 996	41 250
Rental and hiring	3 885	1 568	(30)	5 423	5 369	54	99.0%	3 218	5 412
Transfers and subsidies	259 926 974	4 397	–	259 931 371	258 372 121	1 559 250	99.4%	246 282 328	240 392 672
Departmental agencies	7 792 205	–	–	7 792 205	7 791 918	287	100.0%	7 636 675	7 636 375
Foreign governments	4 714	38	–	4 752	4 148	604	87.3%	4 697	3 542
Non-profit institutions	45 479	3 000	–	48 479	45 886	2 593	94.7%	43 965	41 657
Households	252 084 576	1 359	–	252 085 935	250 530 169	1 555 766	99.4%	238 596 991	232 711 098
Payments for capital assets	13 686	–	–	13 686	10 8003	3 183	76.7%	13 181	9 210
Buildings and other fixed	–	4 279	–	4 279	4 279	–	100.0%	–	–
Machinery and equipment	12 977	(4 279)	–	8 698	5 534	3 164	63.6%	13 002	9 210
Software and other	709	–	–	709	990	(281)	139.6%	179	–
Payment for financial assets	23 818	76	–	23 894	17 905	5 989	74.9%	546 247	336 525
TOTAL	260 893 975	–	–	260 893 975	259 300 341	1 593 634	99.4%	247 854 892	241 721 864

APPROPRIATION STATEMENT

for the year ended 31 March 2024

PROGRAMME 1: ADMINISTRATION

	2023/24						2022/23		
	Adjusted 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 Ministry	49 222	–	2 699	51 921	51 575	346	99.3%	56 520	56 424
2 Department Management	74 064	(2 870)	1 276	72 470	71 659	811	98.9%	78 560	78 008
3 Corporate Management	169 456	2 781	15 829	188 066	187 296	770	99.6%	190 402	189 917
4 Finance	75 984	6 762	5 161	87 907	87 308	599	99.3%	161 987	161 957
5 Internal Audit	16 743	(3 973)	–	12 770	12 462	308	97.6%	14 409	14 163
6 Office Accommodation	46 326	(2 700)	(370)	43 256	43 250	6	100.0%	38 607	38 607
TOTAL	431 795	–	24 595	456 390	453 550	2 840	99.4%	540 485	539 076

ECONOMIC CLASSIFICATION

Current payments	425 895	(810)	24 595	449 680	448 351	1 329	99.7%	530 225	529 383
Compensation of employees	228 022	143	3 500	231 665	231 419	246	99.9%	230 640	230 640
Salaries and wages	204 196	(2 272)	3 428	205 352	205 159	193	99.9%	204 773	204 773
Social contributions	23 826	2 415	72	26 313	26 260	53	99.8%	25 867	25 867
Goods and services	197 873	(953)	21 095	218 015	216 632	1 383	99.4%	299 585	298 743
Administrative fees	2 408	(1 005)	(80)	1 323	1 309	14	98.9%	2 002	1 530
Advertising	3 239	(245)	(40)	2 954	2 940	14	99.5%	3 607	1 473
Minor assets	1 033	(768)	–	265	151	114	57.0%	830	236
Audit costs: External	20 534	1 540	570	22 644	22 637	7	100.0%	22 300	22 031
Bursaries: Employees	1 140	220	–	1 360	1 360	–	100.0%	1 243	1 077
Catering: Departmental	4 724	(3 810)	(10)	904	819	85	90.6%	1 703	735
Communication (G&S)	4 619	(277)	10 112	14 454	14 397	(57)	99.6%	88 022	88 248
Computer services	43 776	1 223	3 552	48 551	48 916	(165)	99.9%	46 301	39 456
Consultants: Business	10 804	(2 758)	5 885	13 931	13 007	924	100.3%	14 669	12 879
Legal services	–	361	–	361	361	–	100.0%	379	396
Contractors	4 508	2 675	1 000	8 183	7 814	369	95.5%	9 746	10 662
Agency and support / out	170	3	–	173	161	12	93.1%	20	27
Entertainment	158	2	(55)	105	84	21	80.0%	108	91
Fleet services (GG)	3 985	3 352	720	8 057	8 055	2	100.0%	9 065	7 872
Consumable supplies	1 576	(891)	–	685	1 114	(429)	162.6%	1 705	1 346
Consumable: Stationery, etc	4 732	147	–	4 879	4 907	(28)	100.6%	7 408	6 264
Operating leases	36 511	273	(360)	36 424	36 421	3	100.0%	32 018	35 462
Property payments	13 537	(3 121)	(100)	10 316	10 305	11	99.9%	14 875	18 397
Travel and subsistence	31 569	(1 016)	(30)	30 523	30 210	313	99.0%	33 863	36 994
Training and development	2 592	(937)	(39)	1 616	1 604	12	99.3%	2 582	1 484
Operating payments	2 759	3 231	–	5 990	5 954	36	99.4%	2 715	7 232
Venues and facilities	3 464	804	–	4 268	4 262	6	99.9%	4 389	4 821
Rental and hiring	35	44	(30)	49	44	5	89.8%	35	30

APPROPRIATION STATEMENT

for the year ended 31 March 2024

	2023/24						2022/23		
	Adjusted 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
Transfers and subsidies	2 383	734	–	3 117	2 812	305	90.2%	3 019	2 719
Departmental agencies and acc	1 828	–	–	1 828	1 541	287	84.3%	1 822	1 522
Households	555	734	–	1 289	1 271	18	98.6%	1 197	1 197
Payments for capital assets	3 517	–	–	3 517	2 611	906	74.2%	6 285	6 018
Machinery and equipment	2 808	–	–	2 808	1 621	1 187	57.7%	6 106	6 018
Software and other intangible assets	709	–	–	709	990	(281)	139.8%	179	–
Payment for financial assets	–	76	–	76	76	–	100.0%	956	956
TOTAL	431 795	–	24 595	456 390	453 550	2 840	99.4%	540 485	539 076

APPROPRIATION STATEMENT

for the year ended 31 March 2024

PROGRAMME 2: SOCIAL ASSISTANCE

	2023/24							2022/23	
	Adjusted 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 Old Age	99 103 958	(492 026)	–	98 611 932	98 529 407	82 525	99.9%	91 387 417	90 675 006
2 War Veterans	367	26	–	393	289	104	73.5%	965	520
3 Disability	26 800 768	251 500	–	27 052 268	27 002 296	49 972	99.8%	25 420 412	25 404 908
4 Foster Care	3 791 134	268 000	–	4 059 134	4 057 095	2 039	99.9%	4 174 937	4 169 214
5 Care Dependency	4 091 664	49 000	–	4 140 664	4 111 834	28 830	99.3%	3 877 526	3 772 238
6 Child Support	81 877 634	(178 500)	–	81 699 134	80 906 758	792 376	99.0%	77 683 321	76 857 750
7 Grant-in-Aid	2 106 571	102 000	–	2 208 571	2 195 162	13 409	99.4%	1 900 870	1 778 716
8 Social Relief of Distress	34 334 457	–	–	34 334 457	33 742 879	591 578	98.3%	34 687 144	30 379 067
TOTAL	252 106 553	–	–	252 106 553	250 545 720	1 560 833	99.4%	239 132 592	233 037 419
ECONOMIC CLASSIFICATION									
Transfers and subsidies	252 082 735	–	–	252 082 735	250 527 891	1 554 844	99.4%	238 594 592	232 709 141
Households	252 082 735	–	–	252 082 735	250 527 891	1 554 844	99.4%	238 594 592	232 709 141
Payment for financial assets	23 818	–	–	23 818	17 829	5 989	74.9%	538 000	328 278
TOTAL	252 106 553	–	–	252 106 553	250 545 720	1 560 833	99.4%	239 132 592	233 037 419

APPROPRIATION STATEMENT

for the year ended 31 March 2024

PROGRAMME 3: SOCIAL SECURITY POLICY AND ADMINISTRATION

	2023/24							2022/23	
	Adjusted 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 Social Security Policy Development	64 245	–	(18 455)	45 790	35 208	10 582	76.9%	54 777	45 183
2 Appeals Adjudication	41 116	–	(8 400)	32 716	27 258	5 458	83.3%	31 487	25 798
3 Social Grants Administration	7 497 975	–	–	7 497 975	7 497 975	–	100.0%	7 343 571	7 343 571
4 Social Grants Fraud Investigations	72 286	–	–	72 286	72 287	(1)	100.0%	72 008	72 008
5 Programme Management P3	5 637	–	–	5 637	3 482	2 155	61.8%	4 146	2 967
TOTAL	7 681 259	–	(26 855)	7 654 404	7 636 210	18 194	99.8%	7 505 989	7 489 527

ECONOMIC CLASSIFICATION									
Current payments	105 503	994	(26 855)	79 642	62 583	17 059	78.6%	80 680	65 133
Compensation of employees	63 489	(143)	(5 611)	57 735	47 860	9 875	82.9%	54 036	48 553
Salaries and wages	55 446	(22)	(4 411)	51 013	41 896	9 117	82.1%	47 715	42 618
Social contributions	8 043	(121)	(1 200)	6 722	5 964	758	88.7%	6 321	5 935
Goods and services	42 014	1 137	(21 244)	21 907	14 723	7 184	67.2%	26 644	16 580
Administrative fees	455	–	(200)	255	96	159	37.6%	394	263
Advertising	380	–	(100)	280	194	86	69.3%	1 344	487
Minor assets	834	–	(500)	334	32	302	9.6%	671	28
Bursaries: Employees	35	–	–	35	–	35	–	113	– 12
Catering: Departmental	698	(172)	(278)	248	31	217	12.5%	769	211
Communication (G&S)	465	–	(166)	299	170	129	56.9%	829	615
Computer services	5 002	–	(4 900)	102	–	102	–	707	–
Consultants: Business, adv	16 849	–	(8 800)	8 049	7 654	395	95.1%	5 345	4 771
Legal services	157	315	–	472	315	157	66.7%	1 200	1 140
Contractors	3	556	–	559	147	412	26.3%	259	4
Agency and support serv	100	–	–	100	–	100	–	100	–
Entertainment	52	–	–	52	22	30	42.3%	62	18
Fleet services (GG)	896	–	–	896	589	307	65.7%	546	703
Consumable supplies	189	–	–	189	104	85	55.0%	182	15
Consumable: Stationer, etc	1 495	–	(800)	695	304	391	43.7%	2 596	864
Operating leases	–	–	–	–	–	–	–	100	–
Property payments	–	–	–	–	–	–	–	20	–
Transport provided	–	–	–	–	–	–	–	50	–
Travel and subsistence	9 318	438	(3 000)	6 756	4 010	2 746	59.4%	5 536	4 657
Training and development	1 023	–	(500)	523	189	334	36.1%	1 060	232
Operating payments	1 725	–	(1 000)	725	1	724	0.1%	1 543	266
Venues and facilities	2 338	–	(1 000)	1 338	865	473	64.6%	3 218	2 318

APPROPRIATION STATEMENT

for the year ended 31 March 2024

	2023/24							2022/23	
	Adjusted 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
Transfers and subsidies	7 572 637	562	–	7 573 199	7 572 919	280	100.0%	7 417 946	7 417 031
Departmental agencies	7 570 261	–	–	7 570 261	7 570 261	–	100.0%	7 415 579	7 415 579
Foreign governments	2 056	–	–	2 056	1 946	110	94.6%	2 048	1 452
Households	320	562	–	882	712	170	80.7%	319	–
Payments for capital assets	3 119	(1 556)	–	1 563	708	855	45.3%	72	72
Machinery and equipment	3 119	(1 556)	–	1 563	708	855	45.3%	72	72
Payment for financial assets	–	–	–	–	–	–	–	7 291	7 291
TOTAL	7 681 259	–	(26 855)	7 654 404	7 636 210	18 194	99.8%	7 505 989	7 489 527

APPROPRIATION STATEMENT

for the year ended 31 March 2024

PROGRAMME 4: WELFARE SERVICES POLICY DEVELOPMENT AND IMPLEMENTATION SUPPORT

	2023/24							2022/23	
	Adjusted 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 Service Standards	31 171	(9 018)	(1 697)	20 456	19 564	892	95.6%	26 295	22 051
2 Substance Abuse	20 774	–	(600)	20 174	19 924	250	98.8%	24 084	24 018
3 Older Persons	19 177	(4 678)	(250)	14 249	13 722	527	96.3%	15 046	14 121
4 People with Disabilities	13 668	2 613	(150)	16 131	16 003	128	99.2%	14 867	12 413
5 Children	79 222	431	–	79 653	78 505	1 148	98.6%	83 824	82 871
6 Families	10 635	(2 531)	–	8 104	7 685	419	94.8%	8 485	7 041
7 Social Crime Prevention and Victim Empowerment	77 303	9 168	–	86 471	84 402	2 069	97.6%	79 845	76 263
8 Youth	12 623	(2 835)	(250)	9 538	9 069	469	95.1%	13 062	10 725
9 HIV and Aids	43 439	8 647	2 947	55 033	52 062	2 971	94.6%	43 989	43 260
10 Social Worker Scholarships	4 761	(1 797)	–	2 964	2 893	71	97.6%	3 995	2 492
11 Programme Management P4	31 171	(9 018)	(1 697)	20 456	19 564	892	95.6%	26 295	22 051
TOTAL	312 773	–	–	312 773	303 829	8 944	97.1%	313 492	295 255

ECONOMIC CLASSIFICATION

Current payments	259 609	(4 619)	–	254 990	249 882	5 108	98.0%	262 470	250 692
Compensation of employees	152 575	–	2 111	154 686	151 308	3 378	97.8%	148 586	145 338
Salaries and wages	137 065	(3 814)	1 979	135 230	131 906	3 324	97.5%	130 283	127 601
Social contributions	15 510	3 814	132	19 456	19 402	54	99.7%	18 303	17 737
Goods and services	107 034	(4 619)	(2 111)	100 304	98 574	1 730	98.3%	113 884	105 354
Administrative fees	2 587	(599)	28	2 016	1 846	170	91.6%	2 476	2 399
Advertising	12 865	(3 371)	(513)	8 981	8 876	105	98.8%	15 103	17 909
Minor assets	670	(308)	(50)	312	176	136	56.4%	580	63
Bursaries: Employees	195	–	(100)	95	–	95	–	–	–
Catering: Departmental	6 703	1 406	1 467	9 576	9 472	104	98.9%	8 201	5 251
Communication (G&S)	1 223	(751)	(170)	302	219	83	72.5%	1 596	767
Consultants: Business adv	17 310	4 418	(1 819)	19 909	19 988	(79)	100.4%	19 670	16 932
Legal services	890	505	126	1 521	1 505	16	98.9%	2 848	4 514
Contractors	1 180	2 224	–	3 404	3 395	9	99.7%	1 475	1 334
Agency and support serv	130	–	–	130	5	125	3.8%	320	250
Entertainment	91	90	–	181	105	76	58.0%	100	9
Fleet services (GG)	712	(220)	–	492	437	55	88.8%	355	488
Consumable supplies	1 668	(1 289)	–	379	193	186	50.9%	604	539
Consumable: Stationery	3 299	(605)	(100)	2 594	2 276	318	87.7%	4 144	2 166
Operating leases	370	(200)	(100)	70	–	70	–	390	75
Property payments	10	1 006	–	1 016	1 006	10	99.0%	105	1 014
Transport provided:	511	(336)	(150)	25	25	–	100.0%	979	–
Travel and subsistence	27 321	(7 878)	(50)	19 393	19 359	34	99.8%	25 815	20 062
Training and development	2 176	(1 355)	(300)	521	413	108	79.3%	2 376	593
Operating payments	4 217	611	(380)	4 448	4 417	31	99.3%	5 240	3 593
Venues and facilities	19 356	716	–	20 072	20 035	37	99.8%	18 474	22 726

APPROPRIATION STATEMENT

for the year ended 31 March 2024

	2023/24							2022/23	
	Adjusted 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
Rental and hiring	3 550	1 317	–	4 867	4 826	41	99.2%	3 033	4 670
Administrative fees	2 587	(599)	28	2 016	1 846	170	91.6%	2 476	2 399
Transfers and subsidies	47 166	3 063	–	50 229	46 570	3 659	92.7%	45 568	42 771
Foreign governments and	918	–	–	918	424	494	46.2%	915	428
Non-profit institutions	45 479	3 000	–	48 479	45 886	2 593	94.7%	43 965	41 657
Households	769	63	–	832	260	572	31.3%	688	686
Payments for capital assets	5 998	1 556	–	7 554	7 377	177	97.7%	5 454	1 792
Buildings and other fixed	–	4 279	–	4 279	4 279	–	100.0%	–	–
Machinery and equipment	5 998	(2 723)	–	3 275	3 098	177	94.6%	5 454	1 792
Payment for financial assets	–	–	–	–	–	–	–	–	–
TOTAL	312 773	–	–	312 773	303 829	8 944	97.1%	313 492	295 255

APPROPRIATION STATEMENT

for the year ended 31 March 2024

PROGRAMME 5: SOCIAL POLICY AND INTEGRATED SERVICE DELIVERY

	2023/24							2022/23	
	Adjusted 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 Social Policy Research and Development	6 643	(1 341)	(200)	5 102	3 996	1 106	78.3%	4 543	4 364
2 Special Projects and Innovation	12 385	(6 138)	(700)	5 547	4 965	582	89.5%	8 285	8 236
3 Population Policy Promotion	39 084	(8 637)	–	30 447	30 017	430	98.6%	30 848	29 476
4 Registration and Monitoring of Non-Profit Organisations	42 257	8 292	3 160	53 709	53 314	395	99.3%	49 216	49 151
5 Substance Abuse Advisory Services and Oversight	7 115	2 398	–	9 513	9 415	98	99.0%	7 831	7 783
6 Community Development	30 081	5 008	–	35 089	35 036	53	99.8%	36 684	36 651
7 National Development Agency	220 116	–	–	220 116	220 116	–	100.0%	219 274	219 274
8 Programme Management P5	3 914	418	–	4 332	4 173	159	96.3%	5 653	5 652
TOTAL	361 595	–	2 260	363 855	361 032	2 823	99.2%	362 334	360 587

ECONOMIC CLASSIFICATION

Current payments	138 490	(38)	2 260	140 712	138 996	1 716	98.8%	139 761	138 249
Compensation of employees	92 091	–	–	92 091	91 175	916	99.0%	89 564	88 344
Salaries and wages	81 746	(1 427)	–	80 319	79 429	890	98.9%	78 491	77 277
Social contributions	10 345	1 427	–	11 772	11 746	26	99.8%	11 073	11 067
Goods and services	46 399	(38)	2 260	48 621	47 821	800	98.4	–	–
Administrative fees	1 106	(380)	–	726	575	151	79.2%	1 094	1 236
Advertising	3 534	(1 314)	(700)	1 520	1 369	151	90.1%	4 024	3 417
Minor assets	546	(495)	–	51	9	42	17.6%	634	246
Catering: Departmental	1 491	46	–	1 537	1 476	61	96.0%	1 632	1 153
Communication (G&S)	1 001	(550)	–	451	327	124	72.5%	1 071	751
Consultants: Business	14 766	(592)	3 060	17 234	17 203	31	99.8%	11 224	10 377
Legal services	–	74	–	74	74	–	100.0%	150	206
Contractors	264	251	–	515	472	43	91.7%	208	334
Agency and support serv	10	–	–	10	1	9	10.0%	–	97
Entertainment	48	–	–	48	11	37	22.9%	42	8
Fleet services (GG)	85	(72)	–	13	8	5	61.5%	91	77
Consumable supplies	50	32	–	82	32	50	39.0%	340	193
Consumable: Stationery	1 545	(696)	–	849	783	66	92.2%	1 821	1 104
Operating leases	223	(160)	–	63	1	62	1.6%	297	38
Travel and subsistence	12 473	(95)	–	12 378	12 514	(136)	101.1%	15 035	14 688
Training and development	1 464	906	–	2 370	2 351	19	99.2%	1 432	1 210
Operating payments	282	2 274	–	2 556	2 554	2	99.9%	637	1 281
Venues and facilities	7 011	726	(100)	7 637	7 562	75	99.0%	9 915	11 385
Rental and hiring	300	207	–	507	499	8	98.4%	150	712

APPROPRIATION STATEMENT

for the year ended 31 March 2024

	2023/24							2022/23	
	Adjusted 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
Transfers and subsidies	222 053	38	–	222 091	221 929	162	99.9%	221 203	221 010
Departmental agencies	220 116	–	–	220 116	220 116	–	100.0%	219 274	219 274
Foreign governments and	1 740	38	–	1 778	1 778	–	100.0%	1 734	1 662
Households	197	–	–	197	35	162	17.8%	195	74
Payments for capital assets	1 052	–	–	1 052	107	945	10.2%	1 370	1 328
Machinery and equipment	1 052	–	–	1 052	107	945	10.2%	1 370	1 328
Payment for financial assets	–	–	–	–	–	–	–	–	–
TOTAL	361 595	–	2 260	363 855	361 032	2 823	99.2%	362 334	360 587

NOTES TO APPROPRIATION STATEMENT

for the year ended 31 March 2024

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 Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. %
Administration	456 390	453 550	2 840	0.62%
Current payment	449 680	448 051	1 629	0.36%
Transfers and Subsidies	3 117	2 812	305	9.79%
Payment of Capital Assets	3 517	2 611	906	25.76%
Payment of Financial Assets	76	76	–	0.00%
The underspending mainly relates to operational savings and cost containment measures implemented during the financial year.				
Social Assistance	252 106 553	250 545 720	1 560 833	0.62%
Transfers and Subsidies	252 082 735	250 527 891	1 554 844	0.62%
Payment of Financial Assets	23 818	17 829	5 989	25.14%
The large portion of the difference is attributable to Child support grant (50.8%), The remaining underspending of relates to the SRD R350 (37.9%) as a result of the changes in the means test to the qualifying criteria to the beneficiary applications.				
Social Security Policy and Administration	7 654 404	7 636 210	18 194	0.24%
Current payment	79 642	62 583	17 059	21.42%
Transfers and Subsidies	7 573 199	7 572 919	280	0.00%
Payment of Capital Assets	1 563	708	855	54.70%
The underspending mainly relates to the delays experienced in the establishment of the Inspectorate and the cost containment measures implemented during the financial year				
Welfare Services Policy Development and Implementation Support	312 773	303 829	8 944	2.86%
Current payment	254 990	249 882	5 108	2.00%
Transfers and Subsidies	50 229	46 570	3 659	7.28%
Payment of Capital Assets	7 554	7 377	177	2.34%
The underspending mainly relates to operational savings in the outreach programmes due to cost containment measures implemented during the financial year as well as non-payments to two (2) National councils (Khulisa and Child Welfare) as a result of non-compliance to regulations.				

NOTES TO APPROPRIATION STATEMENT

for the year ended 31 March 2024

Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Social Policy and Integrated Service Delivery	363 855	361 032	2 823	0.78%
Current payment	140 712	138 996	1 716	1.22%
Transfers and Subsidies	222 091	221 929	162	0.07%
Payment of Capital Assets	1 052	107	945	89.83%

The underspending mainly relates to operational savings in the outreach programmes and cost containment measures implemented during the financial year.

4.2 Per economic classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Current expenditure	925 024	899 812	25 212	2.76%
Compensation of employees	536 177	521 762	14 415	2.69%
Goods and services	388 847	377 750	11 097	2.85%
Interest and rent on land	–	–	–	–
Transfers and subsidies	259 931 371	258 372 121	1 559 250	0.60%
Departmental agencies and accounts	7 792 205	7 791 918	287	0.00%
Foreign governments	4 752	4 148	604	12.71%
Non-profit institutions	48 479	45 886	2 593	5.35%
Households	252 085 935	250 530 169	1 555 766	0.62%
Payments for capital assets	13 686	10 803	2 883	21.07%
Buildings and Fixed Structures	4 279	4 279	–	0.00%
Machinery and equipment	8 698	5 534	3 164	36.38%
Software and other intangible assets	709	990	(281)	(39.63) %
Payments for financial assets	23 894	17 905	5 989	25.06%

The underspending mainly relates to the SRD R350 social grant and the operational spending.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2024

		2023/24	2022/23
	Note	R'000	R'000
REVENUE			
Annual appropriation	1	260 893 975	247 854 892
Departmental revenue	2	59 439	332 075
Aid assistance		70 513	21 668
TOTAL REVENUE		261 023 927	248 208 635
EXPENDITURE			
Current expenditure		943 544	994 722
Compensation of employees	4	521 762	512 875
Goods and services	5	377 530	470 582
Aid assistance	3	44 252	11 265
Transfers and subsidies		258 385 037	240 405 341
Transfers and subsidies	7	258 372 121	240 392 672
Aid assistance	3	12 916	12 669
Expenditure for capital assets		20 032	12 620
Tangible assets	8	19 042	12 620
Intangible assets	8	990	–
Payments for financial assets	6	17 905	336 524
TOTAL EXPENDITURE		259 366 518	241 749 207
SURPLUS/(DEFICIT) FOR THE YEAR		1 657 409	6 459 428
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		1 593 634	6 133 028
Annual appropriation		1 593 634	6 133 028
Departmental revenue and NRF receipts	13	59 439	332 075
Aid assistance	3	4 336	(5 675)
SURPLUS/(DEFICIT) FOR THE YEAR		1 657 409	6 459 428

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2024

		2023/24	2022/23
	Note	R'000	R'000
ASSET			
Current assets		1 642 503	6 393 235
Cash and cash equivalents	9	1 526 117	6 356 250
Prepayments and advances	10	342	1 372
Receivables	11	91 441	26 683
Aid assistance receivable	3	24 603	8 930
Non-current assets		883 318	803 721
Prepayments and advances	10	697	2 276
Receivables	11	882 621	801 445
TOTAL ASSETS		2 525 821	7 196 956
LIABILITIES			
Current liabilities		16 777 124	21 562 316
Voted funds to be surrendered to the Revenue Fund	12	1 593 634	6 133 028
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	20 540	309 060
Bank overdraft	14	15 141 594	15 116 356
Payables	15	1 347	3 313
Aid assistance unutilised	3	20 009	559
Non-current liabilities			
Payables	16	882 233	768 176
TOTAL LIABILITIES		17 659 357	22 330 492
NET ASSETS		(15 133 536)	(15 133 536)
	Note	2023/24	2022/23
		R'000	R'000
Represented by:			
Retained funds		252	252
Unauthorised expenditure		(15 133 788)	(15 133 788)
		(15 133 536)	(15 133 536)

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2024

	Note	2023/24	2022/23
		R'000	R'000
Capitalisation reserves			
Retained funds			
Opening balance		252	252
Utilised during the year			–
Closing balance		252	252
Unauthorised expenditure			
Opening balance		(15 133 788)	(15 133 788)
Unauthorised expenditure – current year			
Closing Balance		(15 133 788)	(15 133 788)
TOTAL		(15 133 536)	(15 133 536)

CASH FLOW STATEMENT

for the year ended 31 March 2024

		2023/24	2022/23
	Note	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		261 023 927	248 208 147
Annual appropriation funds received	1	260 893 975	247 854 892
Departmental revenue received	2.3	52 582	329 336
Interest received		6 857	2 251
Aid assistance received	3	70 513	21 668
Net (increase)/decrease in net working capital		(64 115)	(65 421)
Surrendered to Revenue Fund		(6 480 987)	936 571
Surrendered to RDP Fund/Donor		(559)	(783)
Current payments		(943 544)	(994 722)
Payments for financial assets		(17 905)	(336 524)
Transfers and subsidies paid		(258 385 037)	(240 405 341)
Net cash flow available from operating activities	17	(4 868 220)	7 341 927
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received			
Payments for capital assets	8	(20 032)	(12 620)
Proceeds from sale of capital assets	2.2	–	488
(Increase)/decrease in non-current receivables	11	(81 176)	462 754
Net cash flow available from investing activities		(100 208)	450 622
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets			–
Increase/(decrease) in non-current payables		114 057	(409 010)
Net cash flows from financing activities		114 057	(409 010)
Net increase/(decrease) in cash and cash equivalents		(4 855 371)	7 383 539
Cash and cash equivalents at beginning of period		(8 760 106)	(16 143 645)
Unrealised gains and losses within cash and cash equivalents			
Cash and cash equivalents at end of period	18	(13 615 477)	(8 760 106)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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 comprise 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

7.3	Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy.
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 amount's 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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.	Pre-payments 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. Prepayments for goods and services are expensed as the supplier implements agreed activities and provides a satisfactory progress report on performance and utilisation of disbursed funds in line with the signed service level agreement. The Department is transferring funds (advances) to the Government Communication Information System (GCIS). These advances are expensed once the respective departments paid the accounts on behalf of the department and provide the necessary source documents to the department.
12.	Loans and receivables Loans and 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. With regard to Social Assistance debtors, write-offs are made according to the Policy on Management of Social Assistance debtors as administered by the South African Social Security Agency.
13.	Investments Investments are recognised in the statement of financial position at cost.
14.	Financial assets
14.1	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.
14.2	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.
15.	Payables Payables recognised in the statement of financial position are recognised at cost.
16.	Capital assets
16.1	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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

16.2	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 2002 (or a later date as approved by the OAG) 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.
16.3	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 2002 (or a later date as approved by the OAG) 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.
16.4	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.
17	Provisions and contingents
17.1	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.
17.2	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.
17.3	Contingent assets Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
17.4	Capital commitments Capital commitments are recorded at cost in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

18	Unauthorised expenditure Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure. Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either: • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. Unauthorised expenditure recorded in the notes to the financial statements comprise of • unauthorised expenditure that was under assessment in the previous financial year; • unauthorised expenditure relating to previous financial year and identified in the current year; and • Unauthorised incurred in the current year.
19.	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.
20.	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.
21.	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.
22.	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.
23.	Principal-Agent arrangements All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein.
24.	Capitalisation reserve The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.
25.	Recoverable revenue Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are transferred to the National Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

26.	Related party transactions Related party transactions within the Minister'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.
27.	Inventories 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. In cases where Inventories were transferred to the department by means of a non-exchange transaction, the cost of the inventory is its fair value as at the date it is acquired.
28.	Public-Private Partnerships Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
29.	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.
30.	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

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

Programmes	2023/24				2022/23		
	Final Budget	Actual Funds Received	Funds not requested / not received		Final Budget	Appropriation Received	Funds not requested / not received
	R'000	R'000	R'000		R'000	R'000	R'000
Administration	431 795	431 795	–		513 669	513 669	–
Social assistance	252 106 553	252 106 553	–		239 132 592	239 132 592	–
Social security policy and administration	7 681 259	7 681 259	–		7 532 805	7 532 805	–
Welfare services policy development and implementation support	312 773	312 773	–		313 492	313 492	–
Social policy and integrated service delivery	361 595	361 595	–		362 334	362 334	–
Total	260 893 975	260 893 975	–		247 854 892	247 854 892	–

All funds have been drawn for the 2023/24 financial year

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

2 DEPARTMENTAL REVENUE

		2023/24	2022/23
	Note	R'000	R'000
Tax revenue			
Interest, dividends and rent on land	2.1	6 857	2 251
Sales of capital assets	2.2	–	488
Transactions in financial assets and liabilities	2.3	52 582	329 336
Total Revenue Collected		59 439	332 075

Included in the Transactions in financial assets and liabilities amount of R52, 582 million is an amount of R17, 829 million which relates to the write-off of Social Assistance debtors managed on the BAS system. In the 2022/23 financial year social assistance debtors amounting to R328, 277 million relating to debts managed on the BAS system were written off. This decrease in the amount written off is due to the fact that in the current financial year, SASSA requested approval for the use of savings in grant funds to write-off R1 18, 256 million of irrecoverable debts managed on the BAS system. However, National Treasury only approved the write-off of debts relating to deceased cases. As a result, a lesser balance of R17, 829 million of the debts were written-off in the 2023/24 financial year. The other amount relates to recoveries of social assistance (BAS and SOCPEN) debts.

Interest is mainly received by the South African Social Security Agency as grants are transferred to commercial banks for paying grants and interest received on social assistance debts.

2.1 Interest, dividends and rent on land

		2023/24	2022/23
	Note	R'000	R'000
Interest		6 857	2 251
Total	2	6 857	2 251

Interest is mainly received by the South African Social Security Agency as grants are transferred to commercial banks for paying grants and interest received on social assistance debts.

2.2 Sales of capital assets

		2023/24	2022/23
	Note	R'000	R'000
Tangible capital assets			
Machinery and equipment		–	488
Total	2		488

No Sale of Capital Assets in FY 2023/24

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

2.3 Transactions in financial assets and liabilities

	Note	2023/24	2022/23
		R'000	R'000
Receivables		52 147	328 922
Other receipts including Recoverable Revenue		435	414
Total	2	52 582	329 336

Included in the Transactions in financial assets and liabilities amount of R52, 582 million is an amount of R17, 829 million which relates to the write-off of Social Assistance debtors managed on the BAS system. In the 2022/23 financial year social assistance debtors amounting to R328, 277 million relating to debts managed on the BAS system were written off. This decrease in the amount written off is due to the fact that in the current financial year, SASSA requested approval for the use of savings in grant funds to write-off R118, 256 million of irrecoverable debts managed on the BAS system. However, National Treasury only approved the write-off of debts relating to deceased cases. As a result, a lesser balance of R17, 829 million of the debts were written-off in the 2023/24 financial year. The other amount relates to recoveries of social assistance (BAS and SOCPEN) debts.

2.4 Gifts, donations and sponsorships received in-kind (not included in the main note or sub note)

	Note	2023/24	2022/23
		R'000	R'000
Donations		10 637	26 167
Total		10 637	26 167

These are donations received in kind but not linked to the RDP account.

The reduction is mainly due to the JICA funded project which came to an end in December 2023 while the GCBS project funded by PACT/ USAID came to an end in September 2023. The expenditure on the DGMT donation also reduced from R1, 523 million to R799 000 due to the different activities which were implemented in the financial years as per the project implementation plans.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

2.5 Cash received not recognised (not included in the main note) 2023/24

Name of entity	2023/24		
	Amount received	Amount paid to the revenue fund	Balance
	R'000	R'000	R'000
Early Childhood Development Conditional Grant (NW)	762	762	–
NSFAS	55 068	55 068	–
South African Social Security Agency (SASSA)	292 933	292 933	–
National Development Agency (NDA)	3 904	–	3 904
Total	352 667	348 763	3 904

The amount of R762 thousand relates to unspent conditional grant funds for North West and R55,068 million relates to unspent NSAS funds over years. The amount of R292 933 million and R3, 904 million relate to unspent funds from South African Social Security Agency (SASSA) and National Development Agency for financial year: 2022/23 respectively. These amounts are not classified as revenue for the department as it relates to unspent funds of the previous years and were surrendered to the Exchequer grant account at National Treasury. Unspent funds for National Development Agency (NDA) will be paid over to Exchequer grant account at National Treasury in FY:2024/25.

Name of entity	2022/23		
	Amount received	Amount paid to the revenue fund	Balance
	R'000	R'000	R'000
Early Childhood Development Conditional Grant	–	67 264	(67 264)
Early Childhood Development Conditional Grant: (Eastern Cape)	36 216	36 216	–
Early Childhood Development Conditional Grant: (Western Cape)	10 291	10 291	–
National Development Agency	18 102	18 102	–
Total	64 609	131 873	(67 264)

The R67,264 million was received previous year.

The amount of R36,216 million and R10,291 million relate to 2021/22 unspent conditional grant funds for Eastern Cape and Western Cape respectively.

The amount of R18,102 million relates to unspent funds from National Development Agency for financial year: 2021/22. These amounts are not classified as revenue for the department as it relates to unspent funds of the previous years and were surrendered to the Exchequer grant account at National Treasury.

3 AID ASSISTANCE

	Note	2023/24	2022/23
		R'000	R'000
Opening balance		(8 371)	(1 913)
As restated		(8 371)	(1 913)
Transferred from statement of financial performance		4 336	(5 675)
Paid during the year		(559)	(783)
Closing balance		(4 594)	(8 371)

The balance relates to a receivable amount of R24,603 million on the USAID funded project, funds are available at the National Treasury RDP account and will be reimbursed to the Department in the first quarter of 2024/25 financial. The balance of R4,594 million includes the amount of R24,603 million and an amount of R20, 009 million that was unspent from the GEWE donation and will be surrendered to the National Treasury.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

3.1 Analysis of balance by source

	Note	2023/24	2022/23
		R'000	R'000
Aid assistance from RDP		(4 594)	(8 371)
Aid assistance from other sources		–	–
CARA Funds		–	–
Closing balance	3	(4 594)	(8 371)

The closing balance of R4, 594 million is a net of the amount of R24,603 million receivables from the donor USAID for the G2G project and an amount of R20, 009 million that was unspent from the European Union funded GEWE project. The unspent funds will be surrendered to the National Treasury and requested in the 2024/25 financial year for implementation of the project. The receivable of R24, 603 million will be recovered from the USAID as well as from funds available in the National Treasury RDP account.

3.2 Analysis of balance

	Note	2023/24	2022/23
		R'000	R'000
Aid assistance receivable		(24 603)	(8 930)
Aid assistance unutilised		20 009	559
Closing balance	3	(4 594)	(8 371)
Aid assistance not requested/not received		2 536	8 931

The Aid Assistance receivable represents an amount of R24, 603 million that was receivable from the donor USAID for the G2G project at 31 March 2024. Claim certificates have been submitted to the donor via the National Treasury. Based on the USAID agreement, DSD achieves milestones and subsequently submits claims to recover the related expenditure from USAID. Claim certificates amounting to \$1 667 865.4 (approximately R31, 437 million) have been submitted to USAID by 31 March 2024. An additional amount of R2, 536 million was available in the RDP account.

3.3 Aid assistance expenditure per economic classification

	Note	2023/24	2022/23
		R'000	R'000
Current		44 252	11 265
Capital	8	9 009	3 409
Transfers and subsidies		12 916	12 669
Total aid assistance expenditure		66 177	27 343

The increase current expenditure is mainly due to an increase in salary expenditure from R7, 982 million (2022/23) to an amount of R25, 127 million paid to the G2G project staff and an increase in goods and services procured.

The project was expanded from two (2) districts to nine (9) districts for which 133 personnel was recruited on a contract basis in the 2023/24 financial year. The additional staff included Project Management Staff, Data Capturers and Facilitators.

Capital expenditure increased due to the KFW project which was completed in the current financial year. In the 2022/23 financial year there were delays in construction and the new contractor in Limpopo was only appointed in February 2023 so majority of the construction was finalised in the 2023/24 financial year.

The remainder of R994 000 in capital expenditure relates to the procurement of laptops for the G2G project staff.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

3.4 Donations received in kind (not included in the main note)

	Note	2023/24	2022/23
		R'000	R'000
KFW		–	839
Total		–	839

There were no payments made to the consulting company by KFW in the current financial year, this is in line with the signed agreement.

4 COMPENSATION OF EMPLOYEES

4.1 Analysis of balance

	Note	2023/24	2022/23
		R'000	R'000
Basic salary		355 514	342 730
Performance award		186	193
Service based		25 826	24 654
Compensative/circumstantial		19 106	15 594
Other non-pensionable allowances		57 758	69 098
Total		458 390	452 269

Increase mainly relate to "Annual cost of living" increases (7.5%) to all salary levels. An amount of R186 thousand for Performance Award relates to Qualification incentive. The code used on PERSAL system for Qualification incentive interface to Item segment: Performance Awards on BAS system. A prior year amount of Performance awards amounting to R193 thousand relates to Qualification incentive, amounting to R87 thousand and Performance bonus FY 2020–21, amounting to R106 thousand.

4.2 Social contributions

Employer contributions	Note	2023/24	2022/23
		R'000	R'000
Pension		43 913	42 276
Medical		19 399	18 272
UIF		–	–
Bargaining council		60	58
Total		63 372	60 606
Total compensation of employees		521 762	512 875
Average number of employees		721	750

Increase mainly relate to "Annual cost of living" increases to all salary levels.
The actual number of employees is 699 as at 31 March 2024.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

5 GOODS AND SERVICES

	Note	2023/24	2022/23
		R'000	R'000
Administrative fees		3 828	5 429
Advertising		13 381	23 287
Minor assets	5.1	367	575
Bursaries (employees)		1 360	1 065
Catering		11 798	7 347
Communication		15 268	90 379
Computer services	5.2	48 495	40 439
Consultants: Business and advisory services	5.9	57 850	44 961
Legal services		2 256	6 254
Contractors		11 678	12 332
Agency and support / outsourced services		166	373
Entertainment		222	126
Audit cost – external	5.3	22 637	22 031
Fleet services		9 089	9 139
Consumables	5.5	9 709	12 494
Operating leases		36 421	35 577
Property payments	5.6	11 310	19 819
Rental and hiring		5 369	5 413
Transport provided as part of the departmental activities		25	–
Travel and subsistence	5.7	66 096	76 400
Venues and facilities		32 722	41 250
Training and development		4 558	3 520
Other operating expenditure	5.8	12 925	12 372
Total		377 530	470 582

The decrease mainly relates to Telkom Toll Free line being used by SASSA, in the current financial year the line has been transferred to SASSA and a decrease in advertising.

The Communication unit has also now established the department's own DSDtv. The department is no longer dependent on GCIS for advertising and an overall decrease on other items is as a result of cost containment measures implemented.

5.1 Minor assets

	Note	2023/24	2022/23
		R'000	R'000
Tangible capital assets		367	575
Machinery and equipment		367	575
Total	5	367	575

Decrease relates to less Procurement of office equipment

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

5.2 Computer services

	Note	2023/24	2022/23
		R'000	R'000
SITA computer services		17 182	5 527
External computer service providers		31 313	34 912
Total	5	48 495	40 439

The increase relates to the upgrading of internal Information Technology infrastructure and an increased payment of Microsoft License

5.3 Audit cost – external

	Note	2023/24	2022/23
		R'000	R'000
Regularity audits		20 911	20 851
Computer audits		1 726	1 180
Total	5	22 637	22 031

The increase relates to increase in audit fees.

5.4 Consumables

	Note	2023/24	2022/23
		R'000	R'000
Consumable supplies		1 441	2 095
Uniform and clothing		307	973
Household supplies		249	124
Communication accessories		–	7
IT consumables		533	758
Other consumables		352	233
Stationery, printing and office supplies		8 268	10 399
Total	5	9 709	12 494

Decrease relates to less Procurement of uniform and clothing, and Stationery supplies.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

5.5 Property payments

	Note	2023/24	2022/23
		R'000	R'000
Municipal services		5 185	7 039
Property maintenance and repairs		6 125	12 780
Total	5	11 310	19 819

The department has now one leased building (HSRC) for office accommodation, this has resulted in less expenditure for building maintenance and municipal services.

5.6 Travel and subsistence

	Note	2023/24	2022/23
		R'000	R'000
Local		55 836	63 289
Foreign		10 260	13 111
Total	5	66 096	76 400

The decrease is due to less travelling of officials as a result of cost containment measures implemented.

5.7 Other operating expenditure

	Note	2023/24	2022/23
		R'000	R'000
Professional bodies, membership and subscription fees		288	571
Resettlement costs		1 661	–
Other		10 976	11 801
Total	5	12 925	12 372

Included in the resettlement cost balance is an amount of R1,638 million that is a settlement for an employee's termination of service.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

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

Name of Commission / Committee of Inquiry	Note	2023/24	2022/23
	5	R'000	R'000
Audit Committee		281	308
NPO Compliance Monitoring		86	–
Risk and Ethics Management Committee		572	268
Central Drug Authority Board (CDA)		2 447	1 886
Independent Tribunal for Social Assistance Appeals Med		1 517	1 014
Independent Tribunal for Social Assistance Appeals Legal		2 865	1 575
Pre-Adjudication & Operation Committee		921	407
Social Service Professional Support		242	270
Service Standard & Quality		–	194
Total		8 931	5 922

The significant increase in the payment of Tribunal Members under the Directorate: Legal Case Assessment and Adjudication is due to the following: The Social Assistance Amendment Act and Regulations came into operation on 30 May 2022 for publication and 31 May 2022 for regulation. Since then, there was a significant increase in Social Assistance Appeals. The number of appeals adjudicated in the financial year 1 April 2022 to 31 March 2023 was 4 819, while the number adjudicated from 1 April 2023 to 31 March 2024 was 6568. This is an increase of 37% in the appeals adjudicated. The CDA board members increase resulted in the summit conducted and provincial engagements which resulted in an increase in travelling costs. CDA held more meetings in the current financial year.

The 47% year-on-year increase in the board fees for the risk committee is due to the following reasons: Certain risk committee members that were not attending risk meetings in 2022/2023 started attending the risk committee meeting in 2023/2024 after their attendance was encouraged for decision-making and quorum purposes; The risk committee meeting during 2023/2024 became longer due increased scope of the committee to consider the matters of ethics and loss control; The CDA board members increase resulted in the summit conducted and provincial engagements which resulted in an increase in travelling costs. CDA held more meetings in the current financial year.

6 PAYMENTS FOR FINANCIAL ASSETS

	Note	2023/24	2022/23
		R'000	R'000
Debts written off	6.1	17 905	336 524
Total		17 905	336 524

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

6.1 Debts written off

Nature of debts written off	Note	2023/24	2022/23
		R'000	R'000
Social Assistance Grant Debtors		17 829	328 277
DSD Debtors		76	8 247
Total debt written off	6	17 905	336 524

In the 2022/23 financial year social assistance debtors amounting to R328, 277 million relating to debts managed on the BAS system were written off. This decrease in the amount written off is due to the fact that in the current financial year, SASSA requested approval for the use of savings in grant funds to write-off R118, 256 million of irrecoverable debts managed on the BAS system. However, National Treasury only approved the write-off of debts relating to deceased cases. As a result, a lesser balance of R17, 829 million of the debts were written-off in the 2023/24 financial year. An amount of R76 thousand relates to write-off of debts, due to irrecoverable debts and deceased employees.

7 TRANSFERS AND SUBSIDIES

	Note	2023/24	2022/23
		R'000	R'000
Departmental agencies and accounts	Annex 1A	7 791 918	7 636 375
Foreign governments and international organisations	Annex 1B	4 148	3 542
Non-profit institutions	Annex 1C	45 886	41 656
Households	Annex 1D	250 530 169	232 711 099
Total		258 372 121	240 392 672

The increase mainly relates to increase in Social Assistance Grant

7.1 Gift, Donations and sponsorships received in-kind (not included in the main note or sub note)

	Note	2023/24	2022/23
		R'000	R'000
Donations		–	484
Total		–	484

No donations were made in the current year.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

8 EXPENDITURE FOR CAPITAL ASSETS

	Note	2023/24	2022/23
		R'000	R'000
Tangible capital assets		19 042	12 620
Buildings and other fixed structures	30	12 294	3 409
Machinery and equipment	28	6 748	9 211
Intangible capital assets			
Software	29	990	–
Total		20 032	12 620

Increase relates to increase in expenditure of construction of Community Care Centres in provinces amounting to R12,294 million. Three building of the three Community Care Centres has been completed. Two Community Care Centres have been transferred to the province and one will be transferred to the province in the next reporting period.

8.1 Analysis of funds utilised to acquire capital assets – Current year

Name of entity	2023/24		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible capital assets	10 033	9 009	18 822
Buildings and other fixed structures	4 279	8 015	12 294
Machinery and equipment	5 754	994	6 528
Intangible Capital Assets			
Software	990	–	–
Total	11 023	9 009	19 512

The amount of R12, 294 million relates to the construction of the Community Care Centres in the Provinces as part of the KfW funded project. Included there-in is an amount of R8, 015 million that was received from the KfW and the amount of R4, 279 million that was contributed by the Department from Voted funds.

8.2 Analysis of funds utilised to acquire capital assets – Prior year

Name of entity	2022/23		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible capital assets	9 211	3 409	12 620
Buildings and other fixed structures	–	3 409	3 409
Machinery and equipment	9 211	–	9 211
Total	9 211	3 409	12 620

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

9 CASH AND CASH EQUIVALENTS

	Note	2023/24	2022/23
		R'000	R'000
Consolidated Paymaster General Account		1 526 090	6 356 213
Cash receipts		7	17
Cash on hand		20	20
Total		1 526 117	6 356 250

The decrease relates to a consolidated Social Assistance bank account (favourable bank balance) from nine provinces

10 PREPAYMENTS AND ADVANCES

	Note	2023/24	2022/23
		R'000	R'000
Travel and subsistence		342	166
Advances paid (Not expensed)	10.1	697	3 482
Total		1 039	3 648

	Note	2023/24	2022/23
		R'000	R'000
Analysis of Total Prepayments and advances			
Current Prepayments and advances		342	1 372
Non-current Prepayments and advances		697	2 276
Total		1 039	3 648

The decrease is due to the zero balances both on Government Communication Information Systems (GCIS) and Department of International Relation and Cooperation (DIRCO) for foreign travel arrangements. The balance relates to Travel Advances and an advance paid to National Development Agency for CARA.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

10.1 Advances paid (Not expensed)

	Note	2023/24				
		Amount as at 1 April 2023	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2024
		R'000	R'000	R'000	R'000	R'000
National departments		2 742	(2 778)	(304)	340	–
Public entities		740	(43)	–	–	697
Total		3 482	(2 821)	(304)	340	697

	Note	2022/23				
		Amount as at 1 April 2022	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2023
		R'000	R'000	R'000	R'000	R'000
National departments		11 046	(16 344)	–	8 040	2 742
Public entities		1 355	(615)	–	–	740
Other entities						
Total	10	12 401	(16 959)	–	8 040	3 482

An amount of R304 thousand relates to reimbursement of unspent advance amount.

The balance of R697 thousand under Public Entities is part of the advance that was paid to NDA as an administration fee for administering the CARA funds. Only an amount of R43 thousand has been expensed in the 2023/24 financial year since the NDA did not finalise the disbursement of funds to CSOs. The advance will be expensed in full once NDA has surrendered all unspent funds to the Department or utilised the remaining funds in line with the agreement.

10.2 Advances paid (Expensed)

	2023/24				
	Amount as at 1 April 2022	Less: Received in the current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2023
	R'000	R'000	R'000	R'000	R'000
National departments					
Total					

	2022/23				
	Amount as at 1 April 2022	Less: Received in the current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2023
	R'000	R'000	R'000	R'000	R'000
National departments	5 000	–	(5 000)	–	–
Total	5 000	–	(5 000)	–	–

This amount relates to a CARA advance amount of R5 million paid over to GCIS for the Integrated Media Campaign on addressing Gender Based Violence and Substance Abuse. This amount has since been expensed.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

11 RECEIVABLES

	Note	2023/24			2022/23		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	11.1	30 277	31 403	61 680	3 670	–	3 670
Staff debt	11.2	1	124	125	19	130	149
Other receivables	11.3	61 163	851 094	912 257	22 994	801 315	824 309
Total		91 441	882 621	974 062	26 683	801 445	828 128

11.1 Claims recoverable

	Note	2023/24	2022/23
		R'000	R'000
National departments		61 663	81
Public entities		17	3 589
Total	11	61 680	3 670

Increase relates to an increase in inter-department claims for Department of Justice (IJS) amounting to R35,471 million and an amount of R26,168 million which was previously reported as other receivables (Unauthorised Expenditure).

The department has realised that there was an over surrender on revenue and that the excess amount was related to unauthorised expenditure of FY 2006/07

11.2 Staff debt

	Note	2023/24	2022/23
		R'000	R'000
Current Staff Debt		125	149
Total	11	125	149

The decrease is due to follow-up, recovery and payment of current staff debts.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

11.3 Other receivables

	Note	2023/24	2022/23
		R'000	R'000
Group major categories, but list material items			
Agradecida Project Services		149	–
Disaster Relief Fund		2 495	–
SASSA Unauthorised Expenditure: 2006/07		–	26 168
Salary: GEHS Refund		–	39
Salary Medical Aid		6	–
Debtor: Devine Investments		249	249
Ex – Departmental Official Debt		476	547
Pension Recoverable		–	6
Salary Pension Fund		2	5
Social Assistance Debtors		903 899	786 118
SASSA Social Relief		4 979	11 175
Reconstruction and Development Fund		2	2
Total	11	912 257	824 309

Social Assistance debtors increased from an amount of R797, 293 million (i.e. R786, 118 million and R11, 175 million) in the 2022/23 financial year to R908,878 million (i.e. R903,899 million and R4,979 million) in the 2023/24 financial year. The increase is mainly due to an increase in identified grant overpayments and an increase due to interest charged on the debt balances in the 2023/24 financial year. An amount of R26,168 million was previously reported as other receivables (Unauthorised Expenditure). The department has realised that there was an over surrender on revenue and that the excess amount was related to unauthorised expenditure of FY 2006/07

11.4 Impairment of receivables

	Note	2023/24	2022/23
		R'000	R'000
Estimate of impairment of receivables		713 606	627 208
Total		713 606	627 208

The impairment represents approximately 79% of the social assistance grant debt balance of R908,877 million for the 2023/24 financial year. The estimated impairment amount of R713, 606 million is based on an assessment of the debtors that are considered doubtful. The rate of 79% is consistent with the rate in the 2022/23 financial year.

12 VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2023/24	2022/23
		R'000	R'000
Opening balance		6 133 028	(962 617)
As restated		6 133 028	(962 617)
Transferred from statement of financial performance (as restated)		1 593 634	6 133 028
Paid during the year		(6 133 028)	962 617
Closing balance		1 593 634	6 133 028

The decrease relates to a reduced savings on Social Assistance Grants.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

13 DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

	Note	2023/24	2022/23
		R'000	R'000
Opening balance		309 060	3 031
As restated		309 060	3 031
Transferred from statement of financial performance (as restated)		59 439	332 075
Paid during the year		(347 959)	(26 046)
Closing balance		20 540	309 060

The closing balance of R20, 542 million includes the write-off of social assistance debtors which amounted to R17,829 million in the 2023/24 financial year. The amount of R17, 829 million written-off relates to debts which were recognised after the financial year in which the overpayments took place. In the prior financial year, a higher balance of R297, 797 million was reported. The decrease from the closing balance of R297, 797 million (Included in the closing balance of R309, 060 million) resulted from National Treasury only approving the write-off of deceased cases in the 2023/24 financial year while all categories were approved in the 2022/23 financial year.

14 BANK OVERDRAFT

	Note	2023/24	2022/23
		R'000	R'000
Consolidated Paymaster General account		15 141 594	15 116 356
Total		15 141 594	15 116 356

The bank overdraft is as a result of Unauthorised Expenditure. The National Department of Social Development appeared before SCOPA on 17 October 2023 to present the overspending of R15.133 on Transfers and Subsidies for the 2020/21 financial year, which relate to grants payments moved forward to 30 March 2020. SCOPA has regularised the unauthorised expenditure for the Department. However, the Department is still awaiting the confirmation letter from the National Treasury.

15 PAYABLES – CURRENT

	Note	2023/24	2022/23
		R'000	R'000
Other payables	15.1	1 347	3 313
Total		1 347	3 313

The decrease relates to an amount of R2,758 received prior financial year for SIU Recoveries and the amount has been paid over to National Revenue Fund.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

15.1 Other payables

Description	Note	2023/24	2022/23
		R'000	R'000
Identify major categories, but list material items			
SIU Recoveries (SASSA Debtors)		–	2 758
Salary Income Tax		420	–
Disallowance (DSD Unallocated Receipts)		461	–
DSO Debt Receivable Income & Interest		–	7
SASSA Claim Payable		64	1
Salary: GEHS Refund Control Account		117	–
Salary: TAX DEBT:CA		–	235
SASSA funds in FNB bank (debtors and revenue)		10	40
Salary Disallowance		275	272
Total	15	1 347	3 313

The decrease relates to an amount of R2,758 million received prior financial year for SIU Recoveries and the amount has been paid over to National Revenue Fund.

16 PAYABLES – NON-CURRENT

	Note	2023/24				2022/23
		One to two years	Two to three years	Older than three years	Total	Total
		R'000	R'000	R'000	R'000	R'000
Advances received	16.1	–	–	212	212	212
Other payables	16.2	57 035	87 499	737 487	882 021	767 964
Total		57 035	87 499	737 699	882 233	768 176

16.1 Advances received

	Note	2023/24	2022/23
		R'000	R'000
Provincial departments	Annex 2	212	212
Total	16	212	212

This amount relates to advance received from various provinces for NISIS project.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

16.2 Other payables

Description	Note	2023/24	2022/23
		R'000	R'000
Deferred Revenue: SASSA and SOC DEV		3 413	846
Debt Receivable Income		748 296	652 696
Debt Receivable Interest		92 789	72 583
SASSA Claim Payable		129	434
HWSETA		3 871	3 871
Disallowance (DSD Unallocated Receipts)		–	762
SASSA unallocated receipts		33 514	34 817
SASSA funds in FNB bank (debtors and revenue)		9	17
SIU Recoveries (SASSA Debtors)		–	1 938
Total	16	882 021	767 964

Debt receivable income and interest are contra accounts to the Debt account for debts that were taken on after the year in which the expenditure took place. Debt receivable income and Interest increased by an amount of R115,807 million due to an increase in identified overpayments and an increase due to interest charged in the 2023/24 financial year.

17 NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	Note	2023/24	2022/23
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		1 657 409	6 459 428
Add back non-cash/cash movements not deemed operating activities		(6 526 149)	882 499
(Increase)/decrease in receivables		(64 758)	176
(Increase)/decrease in prepayments and advances		2 609	8 806
Increase/(decrease) in payables – current		(1 966)	(74 403)
Proceeds from sale of capital assets		–	(488)
Expenditure on capital assets		20 032	12 620
Surrenders to Revenue Fund		(6 480 987)	936 571
Surrenders to RDP Fund/Donors		(559)	(783)
Voted funds not requested/not received		–	–
Net cash flow generating		(4 868 220)	7 341 927

Prior financial year the department had a savings of R6,133 billion and was surrendered to National Treasury in current financial year. The savings for current financial year amounts to R1,594 billion.

18 RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

	Note	2023/24	2022/23
		R'000	R'000
Consolidated Paymaster General account		(13 615 504)	(8 760 143)
Cash receipts		7	17
Cash on hand		20	20
Total		(13 615 477)	(8 760 106)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

19 CONTINGENT LIABILITIES AND ASSETS

19.1 Contingent Assets

There were various exception reports issued by AGSA on normal grants after analysis of various independent databases which were considered by SASSA to pay the grants. These exceptions did indicate a risk of inclusion errors i.e., some applicants may be receiving other income/benefits that could possibly have disqualified them, payments to beneficiaries that passed away and National Population Register not update yet and grant payments to SASSA/Postbank employees, if the information was available at the time of approval of the grant. SASSA is currently investigating the exceptions to validate the veracity, quantum and value involved.

The recoverability of these payments made to possible ineligible applicants will be determined in line with the Department's Debtors Management Policy once the validity of the data has been verified with the respective data owners. Based on the above, it is not practicable to disclose the value or recoverability of these possible overpayments.

19.2 Contingent Liabilities

Liable to	Nature	Note	2023/24	2022/23
			R'000	R'000
Claims against the department		Annex 2	489 138	489 063
Intergovernmental payables		Annex 4	15 580	1 097
Total			504 718	490 160

The amount of R489,138 million relates to Litigation cases against the department, (refer to Annexure 3B for details), an amount of R2,908 million relates to an inter-departmental payable for Department of Public works and Infrastructure and an amount of R12,331 million relates to CARA unspent funds from Department of Justice and Constitutional Development.

20 CAPITAL COMMITMENTS

	Note	2023/24	2022/23
		R'000	R'000
Buildings and other fixed structures		4 525	13 518
Machinery and equipment		6 238	1 652
Intangible assets		4 246	–
Total		15 009	15 170

The amount for building relates to funding committed to complete the three Community Care Centres in Limpopo. The amount for intangible capital commitment relates to procurement of intangible assets that have not yet been paid by the end of the financial year but the tender processes have been finalised.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

21 ACCRUALS AND PAYABLES NOT RECOGNISED

21.1 Accruals

Listed by economic classification	Note	2023/24			2022/23
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Goods and services		5 595	1 329	6 924	6 454
Transfers and subsidies		309 244	5 592 130	5 901 374	3 452 572
Total		314 839	5 593 459	5 908 298	3 459 026

Listed by programme level	Note	2023/24	2022/23
		R'000	R'000
Administration		6 482	5 588
Social Security Policy and Administration		10	1
Welfare Services Policy Development and Implementation		228	618
Social Policy and Integrated Service Delivery		204	210
Social Assistance		5 901 374	3 452 609
Total		5 908 298	3 459 026

The amount of R5,901 billion reflects grant amounts approved but not paid by 31 March 2024. Included in the balance is an amount of R5,891 billion in respect of the SRD R350 grant and the remaining amount relates to other social assistance grants. The amounts remained unpaid at year end due to pending verification of banking details.

21.2 Payables not recognised

Listed by economic classification	Note	2023/24			2022/23
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Goods and services		3 057	557	3 614	4 553
Capital assets		48	–	48	–
Total		3 105	557	3 662	4 553

Listed by programme level	Note	2023/24	2022/23
		R'000	R'000
Administration		2 639	2 080
Social Security Policy and Administration		1	242
Welfare Services Policy Development and Implementation		892	972
Social Policy and Integrated Service Delivery		130	1 259
Total		3 662	4 553

A decrease is due to better management of payment process.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

Included in the above totals are the following:	Note	2023/24	2022/23
		R'000	R'000
Confirmed balances with other departments	Annex 4	518	2 240
Total		518	2 240

A decrease is due to improved follow up on inter-departmental claims and better management of payment process.

22 EMPLOYEE BENEFITS

	Note	2023/24	2022/23
		R'000	R'000
Leave entitlement		23 199	20 576
Service bonus		12 458	12 043
Performance awards		–	–
Capped leave		6 559	7 629
Other		–	472
Total		42 216	40 720

Leave discounting for the FY 2023/2024 not finalised due to outstanding legal cases, the total commitment for leave discounting is R67,307.34. Employees took leave during the 3rd and 4th quarter, however some of the leave applications are still pending recommendation/approval on the e-leave system and the leave entitlement amounts to R244,825.85.

The leave discounting of R14,675.79 will be paid to two G2G employees who exited the Department, and the monies will be reimbursed from the G2G funds. Note: The employees were reminded to comply with the Determination and Directive of the Leave of Absence in the Public Service.

A circular was circulated in the beginning of January 2024. Employees are reminded on a daily pop-up message to attend to leave applications within the timeframe of the above Determination. A pop-up message was also distributed to all staff to attend to the leave applications before 31 March 2024, to ensure accurate statistics on the Financial Statements.

23 LEASE COMMITMENTS

23.1 Operating leases

	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
2023/24			
Not later than 1 year	30 918	1 070	31 988
Later than 1 year and not later than 5 years	4 220	787	5 007
Total lease commitments	35 138	1 857	36 995

Seventy-two (72) printing machines were leased from two service providers on RT 3 transversal contract.

There are no sub lease agreements

The significant amount relates to the extension of Lease agreement, and will expire in January 2025 (12 months contract), this is because the HSRC building is on the market to be sold. The lease agreement for parking outside HSRC will expire in November 2026.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

	Buildings and other fixed structures	Machinery and equipment	Total
2022/23	R'000	R'000	R'000
Not later than 1 year	30 936	1 140	32 076
Later than 1 year and not later than 5 years	68 600	826	69 426
Total lease commitments	99 536	1 966	101 502

24 UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

	Note	2023/24 R'000	2022/23 R'000
Unauthorised expenditure		–	–
Irregular expenditure (current year)		5 845	18 239
Fruitless and wasteful expenditure (current year)		164	303
Total		6 009	18 542

The Disciplinary actions have been taken against some officials who were found to have committed Financial Misconducts. The investigations of unauthorised, irregular and fruitless expenditure have been concluded and needs to be presented to the Loss Control Committee Meeting.

Irregular expenditure in the 2023/24 financial year relates to non-compliance to the SCM processes. The variance in irregular expenditure relates to the use of the services of a service provider whilst the contract had expired in the 2022/23 financial year. The case has been investigated and will be presented to the Loss Control Committee in the 2024/25 financial year.

Fruitless and wasteful expenditure related to car damages. These cases have been investigated and will be presented to the Loss Control Committee in the 2024/25 financial year.

25 RELATED PARTY TRANSACTIONS

	Note	2023/24 R'000	2022/23 R'000
Payments made			
Goods and services		5 385	75 690
Total		5 385	75 690

List related party relationships and the nature thereof

List related party relationships

The following Entities established in terms of the Fund-Raising Act No 107 of 1978 report to the Minister of Social Development:

- Disaster Relief Fund
- Social Relief Fund
- State President Fund
- Refugee Relief Fund.

The following Public Entities report to the Minister of Social Development

- South African Social Security Agency,
- National Development Agency

Related Party Transactions

The amount of R5,385 million relates to the payment of the Telkom Toll Free Line used for queries relating to Social Grants. The Department was still the account holder when payment of R5, 385 million was made in April 2023. SASSA has taken over the management of the line.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

26 KEY MANAGEMENT PERSONNEL

	Note	2023/24	2022/23
		R'000	R'000
Political office bearers (provide detail below)			
Officials:		4 781	4 599
Level 15 and 16		10 327	10 226
Level 14		42 758	41 950
Family members of key management personnel		1 158	1 098
Total		59 024	57 873

Included in this amount is an expenditure for Acting allowances for officials on:

* Acting officials on SL: 16 = 1 amount R152 as the acting allowance.

* Acting officials on SL: 15 = 3 amount to R114.

* Acting Officials on SL 14: 4 amounts to R1 520.

* Grand Total for acting is R1 786

27 PROVISIONS

	Note	2023/24	2022/23
		R'000	R'000
Social Assistance Debtors over recovery		14 173	14 242
Good sold and delivered		41	41
Child protection		103	103
Access to information		77	77
Declarator: Adoption orders of three minor children		131	131
Total		14 525	14 594

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

27.1 Reconciliation of movement in provisions – Current year

	Social Assistance Debtors over recovery	2022/23			
		Good sold and delivered	Child protection and Declarator: Adoption Orders of three minor children	Access to information and Motor Vehicle Collision	Total provisions
	R'000	R'000	R'000	R'000	R'000
Opening balance	14 242	41	234	77	14 594
Increase in provision	–	–	–	–	–
Settlement of provision	(69)	–	–	–	(69)
Closing balance	14 173	41	234	77	14 525

The amount of R14, 173 million relates to credit balances due to over-recoveries from social assistance debtors managed by SASSA and those administered by the SIU on behalf of the Department. The timing for settlement of these balances is not certain and payments are made when banking details of the intended recipients are verified. The decrease in the balance is due refunds made during the financial year.

The following amounts relates to Litigation Settled cases and the status quo remained as prior year.:

1. Good sold and delivered (R41 327.55): The Department instructed the Office of the State Attorney to settle litigation costs and the costs of suit, proof of payment is still awaited.
2. Child protection (R102 972.83): Instructions to pay were forwarded to the Office of the State Attorney, proof of payment is still awaited.
3. Access to information (R77 167.00): The notice of intention to Tax the Bill was forwarded to the office of the State attorney for further processing.
4. Declarator Regarding Adoption Orders of Three Minor Children (R131 264.40): Department instructed the office of the state attorney to settle the Taxed bill of costs.

27.2 Reconciliation of movement in provisions – Prior Year

	Social Assistance Debtors over recovery	2022/23			
		Good sold and delivered	Child protection and Declarator: Adoption Orders of three minor children	Access to information and Motor Vehicle Collision	Total provisions
	R'000	R'000	R'000	R'000	R'000
Opening balance	14 888	41	103	77	15 109
Increase in provision	–	–	131	17	148
Settlement of provision	(646)	–	–	(17)	(663)
Closing balance	14 242	41	234	77	14 594

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

28 MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	101 984	6 809	(2 063)	106 730
Transport assets	2 746	–	–	2 746
Computer equipment	58 804	3 931	(1 795)	60 940
Furniture and office equipment	29 210	2 024	(232)	31 002
Other machinery and equipment	11 224	854	(35)	12 043
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	101 984	6 809	(2 063)	106 730

Capital assets to the value of R792 160.31 received and paid, and R61 548.00 were received and not paid by the end of financial year 2023/24.

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		1 448	25 516
Total		1 448	25 516

Major Asset which were not found during the verification is 1448 to the value of R25 515 774.12.

28.1 Movement in movable tangible capital assets per asset register for the year ended 31 March 2023

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	97 407	9 211	(4 634)	101 984
Transport assets	2 746	–	–	2 746
Computer equipment	59 988	2 444	(3 628)	58 804
Furniture and office equipment	25 460	4 686	(936)	29 210
Other machinery and equipment	9 213	2 081	(70)	11 224
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	97 407	9 211	(4 634)	101 984

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

28.2 Minor assets

Movement in minor capital assets per the asset register for the year ended 31 march 2023

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	7	14 032	14 039
Additions	–	436	436
Disposals	–	(276)	(276)
Total Minor assets	7	14 192	14 199

Minor assets to the value of R366 129.93 received and paid, and R69 790.60 were received and not paid by the end of financial year 2023/24. Two disposal meeting were held in 2023/2024, a total of R276 478.13 minor assets were disposed.

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets		4 909	4 909
Number of minor assets at cost		7 278	7 278
Total number of minor assets		12 187	12 187

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:		2 114	1 866
Machinery and equipment			

Minor Asset which were not found during the verification total to 2114 to the value of R1 866 220.12.

Movement in minor assets per the asset register for the year ended 31 march 2023

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	7	13 999	14 006
Additions	–	575	575
Disposals	–	(542)	(542)
Total Minor assets	7	14 032	14 039

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	–	5 037	5 037
Number of minor assets at cost	–	7 305	7 305
Total number of minor assets		12 342	12 342

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

29 INTANGIBLE CAPITAL ASSETS

Movement in intangible capital assets per asset register for the year ended 31 March 2024.

	2023/24			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	11 263	27 065	–	38 328
TOTAL INTANGIBLE CAPITAL ASSETS	11 263	27 065	–	38 328

Two Major Intangible Assets were procured, Panorama Central Management Software and APP Software. The amount included an intangible asset relating to the convergence tool which was funded through the IJS budget from the Department of Justice. The procurement process was done by the Department of Social development.

29.1 Movement in intangible capital assets per asset register for the year ended 31 March 2023

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	4 025	5 568	1 670	–	11 263
TOTAL INTANGIBLE CAPITAL ASSETS	4 025	5 568	1 670	–	11 263

Prior period error

Nature of prior period error	Note		2022/23
			R'000
Relating to 2021/22 [affecting the opening balance]			5 568
Relating to 2022/23			
Software			1 670
Total prior period errors			7 238

The error resulted due to the procurement of intangible assets which were erroneously not included as part of intangible assets in the previous years. These amounts resulted in adjustment of the opening balance.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

30 IMMOVABLE TANGIBLE CAPITAL ASSETS

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2024

	2023/24			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	228	30 946	(20 630)	10 544
Dwellings / Non – residential building	–	30 946	(20 630)	10 316
Other fixed structures	228	–	–	228
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	228	30 946	(20 630)	10 544

Additions relates to the building and completion of three Community Care Centres in Limpopo and two out of the three Community Care Centres were transferred to the province.

Immovable Tangible Capital Assets under investigation

	Note	Number	Value
			R'000
Included in the above total of the immovable tangible capital assets per the asset register that are under investigation:			
Buildings and other fixed structures		1	228
Total		1	228

The asset was captured from the previous asset register of 2016/2017 with other immovable assets, the Asset Management Unit managed to investigate others also to disposed of them, currently they are still investigating the remaining one.

30.1 Movement in immovable tangible capital assets per asset register for the year ended 31 March 2023

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	33 223	216	(33 211)	228
Dwellings / non-residential building	32 898	216	(33 114)	–
Other fixed structures	325	–	(97)	228
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	33 223	216	(33 211)	228

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

30.2 Immovable tangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

	Note Annex 6	2023/24			
		Opening balance 1 April 2022	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2023
		R'000	R'000	R'000	R'000
Buildings and other fixed structures		18 652	12 294	(30 946)	–
Total		18 652	12 294	(30 946)	–

A total amount of R30,946 million is the total cost of completed three Community Care Centres built in Limpopo.

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

	Note	Opening balance 1 April 2021	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2022
		R'000	R'000	R'000	R'000
Buildings and other fixed structures		15 459	3 409	(216)	18 652
Total		15 459	3 409	(216)	18 652

31 PRINCIPAL-AGENT ARRANGEMENTS

31.1 Department acting as the principal

	Note	2023/24	2022/23
		R'000	R'000
National Student Financial Aid Scheme		–	–
Total		–	–

Significant Terms and conditions of the arrangement

The National Student Financial Aid Scheme administers the Social Work Scholarship programme on behalf of the Department. Based on the agreement, NSFAS was expected to pay scholarship fees to a list of students provided by the Department. Payments by NSFAS are based on Scholarship Guidelines provided by the Department.

Risks and rewards of the scholarship fund

The main risk of the scholarship arrangement is that the funds earmarked for the Social Work Scholarship may be utilised to pay for studies other than Social Work studies. This is monitored through quarterly reports. The main reward of this arrangement is that the Department has successfully implemented the Scholarship programme since the 2007/08 financial year through its partnership with NSFAS.

Administration fees paid to NSFAS

No administration fees were paid to NSFAS for the 2023/24 financial year. An amount of R55, 068 million was available in the scholarship bank account on 01 April 2023. The amount R55,068 million was surrendered to the Department in November 2023. Interest earned for the period up to 31 March 2024 amounted to R3,066 million. At 31 March 2024 the closing balance as per the NSFAS bank statement was R3,066 million.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

Implications of terminating the arrangement

The scholarship programme has been discontinued by the Department and the contract with NSFAS has come to an end on 31 March 2023. The main implication of the termination is that NSFAS is required to reconcile its outstanding payments and receivables from universities against available funds. Unspent and uncommitted funds are expected to be surrendered to the Department and this resulted in the surrender of the amount of R55,068 million to the Department. Based on the final close-out report from NSFAS the reconciliation of funds was finalised by NSFAS and processes are underway to make outstanding payments to Universities and claim refunds from Universities.

The amount of R3,066 million in the NSFAS bank account at 31 March 2024 relates to interest earned during the financial year. This amount will be used for payment of outstanding claims from Universities. At the end of March 2024, Outstanding claims amounted to R1,546 million while other claims received were under-paid by R1,910 million. An amount of R1,681 million is receivable by NSFAS from the universities. NSFAS will make payments as accurate claims are received from Universities and NSFAS will continue to claim refunds from universities that were over-paid. The timing of these processes cannot be determined as it is dependent on the positive response from Universities. However, despite the fact that the contract has come to an end, NSFAS will continue to report to the Department on a quarterly basis as agreed.

32 INVENTORIES

32.1 Inventories for the year ended 31 March 2024

	2023/24				
	Bottled Water	School Uniforms	Insert major category	Insert major category	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance					
Add: Additions/Purchases – Cash	–	1 596	–	–	1 596
Add: Additions/Purchases – Non-cash	10	–	–	–	10
(Less): Issues	(8)	–	–	–	(8)
Closing balance	2	1 596	–	–	1 598

Included in inventories is school uniform procured as part of SRD during the financial year and not distributed by 31 March 2024. The reason for the delayed distribution was amongst other reasons due to school holidays.

Inventories for the year ended 31 March 2023

	Sanitary and Hygiene products	Laptops	Book Vouchers	Total
	R'000	R'000	R'000	R'000
Opening balance	185	–	–	185
Add/(Less): Adjustments to prior year balances	–	–	–	–
Add: Additions/Purchases – Cash	–	270	29	299
Add: Additions/Purchases – Non-cash	–	–	–	–
(Less): Disposals	–	–	–	–
(Less): Issues	(185)	(270)	(29)	(484)
Closing balance	–	–	–	–

The Procter and Gamble sanitary and hygiene items amounting to R185 000 have been distributed to various organisations and beneficiaries, including distribution to victims of floods in KZN

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

33 BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

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

34 NATURAL DISASTER OR RELIEF EXPENDITURE

		2023/24	2022/23
	Note	R'000	R'000
Goods and services		5 385	75 696
Transfers and subsidies		33 468 704	30 194 747
Total	Annex 9	33 474 089	30 270 443

The increase mainly relates to the increased beneficiaries applying for the SRD R350 grant. A total amount of R33,469 billion was spent on the COVID-19 R350 SRD grant up to 31 March 2024

ANNEXURES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 1A

Statement of transfers to departmental agencies and accounts

Departmental Agency or Account	2023/24						2022/23	
	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
National Development Agency	220 116	–	–	220 116	220 116	100.0%	219 274	219 274
South African Social Security Agency	7 970 261	–	–	7 970 261	7 570 261	95.0%	7 415 579	7 415 579
Health and Welfare Sector Education and Training Authority	1 828	–	–	1 828	1 541	84.3%	1 822	1 522
TOTAL	8 192 205	–	–	8 192 205	7 791 918	95.12%	7 636 675	7 636 375

ANNEXURES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 1B

Statement of transfers to foreign government and international organisations

Foreign government / International organisation	2023/24						2022/23	
	TRANSFER ALLOCATION				EXPENDITURE			
	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								
International Social Security Association	1 946	–	–	1 946	1 833	94.2%	1 939	1 359
International Federation for the Aged	26	–	–	26	19	73.1%	26	17
International Social Services	423	–	–	423	405	95.7%	421	386
Walvisbay	443	–	–	443	–	–	442	–
Partners in Population and Development	1 087	–	–	1 087	1 125	103.5%	1 083	1 011
International Organisations of Pension Supervisors	110	–	–	110	113	102.7%	109	93
UNFPA	653	–	–	653	653	100.0%	651	651
United Nations International Drug Control Programme	26	–	–	26	–	–	26	25
TOTAL	4 714	–	–	4 714	4 148		4 697	3 542

ANNEXURES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 1C

Statement of transfers to non-profit institutions

	2023/24						2022/23	
	TRANSFER ALLOCATION				EXPENDITURE			
	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
Non-profit institutions								
Transfers								
South African National Aids Council	16 330		3 000	19 330	19 330	100.0%	15 635	15 635
South African Council for Social Service Professions	2 307			2 307	2 307	100.0%	2 298	2 298
Total	18 637		3 000	21 637	21 637		17 933	17 933
Subsidies								
Suid Afrikaanse Vroue Federasie (Families)	780	–	–	780	780	100.0%	711	711
SA Council on Alcoholism and Drug Dependence (SANCA)	1 927	–	–	1 927	1 927	100.0%	1 920	1 920
Family and Marriage Society South Africa (FAMSA)	1 095	–	–	1 095	1 095	100.0%	1 158	1 158
Deaf Blind SA	1 729	–	–	1 729	1 729	100.0%	1 385	1 385
South African Older Persons Forum	1 612	–	–	1 612	1 612	100.0%	1 545	1 545
NICDAM- VEP	1 337	–	–	1 337	1 326	99.2%	1 337	1 337
ChildLine South Africa	1 516	–	–	1 516	1 326	87.5%	1 479	1 479
SA Depression and Anxiety Group (SADAG)	1 897	–	–	1 897	1 897	100.0%	1 889	1 889
Lifeline South Africa	2 226	–	–	2 226	2 226	100.0%	2 214	2 214
Autism South Africa	1 577	–	–	1 577	1 577	100.0%	1 501	1 501
Khulisa Social Solution	1 650	–	–	1 650			1 644	–
NICDAM – Older Persons	1 703	–	–	1 703	1 489	87.4%	1 757	1 757
NICRO	1 685	–	–	1 685	1 685	100.0%	1 678	1 678
National Shelter Movement	726	–	–	726	705	97.1%	723	723
Suid Afrikaanse Vroue Federasie (Children)	924	–	–	924	924	100.0%	887	887
Child Welfare South Africa	697	–	–	697	–		664	–
RATA	847	–	–	847	847	100.0%	723	723
Cape Development and Dialogue Centre Trust (CDDC)	1 423	–	–	1 423	1 423	100.0%	1 417	1 417
UHAMBO (DISABILITIES)	1 491	–	–	1 491	1 491	100.0%	1 400	1 400
Total	26 842	–	–	26 842	24 249		26 031	23 723
TOTAL	45 479	–	3 000	48 479	45 886		43 964	41 656

ANNEXURES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 1D

Statement of transfers to households

Household	2023/24						2022/23	
	TRANSFER ALLOCATION				EXPENDITURE			
	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								
Social Grants	253 841 777	–	(1 759 042)	252 082 735	250 527 891	99.4%	239 132 592	232 709 141
Social Benefit ex-officials	–	–	–	–	2 278	–	–	1 958
Total								
TOTAL	253 841 777		(1 759 042)	252 082 735	250 530 169		239 132 592	232 711 099

ANNEXURES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 1E

Statement of gifts, donations and sponsorships received

Name of organisation	Nature of gift, donation or sponsorship	2023/24	2022/23
		R'000	R'000
Received in kind			
KFW	Consultancy fees for project management services on the OVCY Care and Support project.	–	839
USAID/PACT	Technical Assistance in the implementation of the Government Capacity Building Systems (GCBS)	9 099	23 207
The DG Murray Trust (DGMT)	Technical assistance to implement a financing approach towards sustainability of social welfare services for the most vulnerable.	799	1 523
Southern Hemisphere	To conduct a workshop on the evaluation report of the National Adolescent Sexual and Reproductive Health and Rights Framework Strategy.	–	32
UNFPA	Sponsorship for the Department to attend the Safeguard Young People Steering Committee meeting	–	4
SASOL	Assistance to Social Protection Beneficiaries who were starting a new journey at tertiary institutions (30 Laptops and 29 book vouchers).	–	299
Japan International Cooperation Agency (JICA)	Capacity building on Respite care services for children with disabilities and their families	327	1 102
UNICEF	Study tour to Mexico on “Global promotion of best practices for children in migration”	124	–
The DG Murray Trust (DGMT)	Consultancy services on the implementation of Special Housing Needs Policy.	250	–
University of Cape Town	Attendance of the Training Workshop on children on the Move	23	–
Pernord Ricard South Africa	Provision of bottled water for the active ageing programme that took place in Mpumalanga Province on 21–22 March 2024.	10	–
Virgin Active	Provision of aerobics classes on 22 March 2024 during the active ageing programme in Mpumalanga Province.	5	–
TOTAL		10 637	27 006

ANNEXURES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 1F

Statement of aid assistance received

		Opening balance	Revenue	Expenditure	Paid back on / by 31 March	Closing balance
Name of donor	Purpose	R'000	R'000	R'000	R'000	R'000
Received in cash						
KFW	OVCY Care and Support	559	8 015	8 015	(559)	–
USAID (G2G)	To strengthen the Department's capacity to scale-up implementation of primary prevention of sexual violence and HIV activities among South African youth and reduce incidence of HIV and AIDS through Social Behaviour Change programmes	(8 930)	42 489	58 162		(24 603)
GEWE (EU)	Strengthening the response, care, support and healing services for victims of crime and violence in South Africa	–	20 009	–	–	20 009
Subtotal		(8 371)	70 513	66 177	(559)	(4 594)
Received in kind						
		–	–	–	–	–
Subtotal		–				
TOTAL		(8 371)	70 513	66 177	(559)	(4 594)

ANNEXURES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 1G

Statement of gifts, donations and sponsorships made

Nature of gift, donation or sponsorship (Group major categories but list material items including name of organisation)	2023/24	2022/23
	R'000	R'000
Made in kind		
Food Items donated to the following centres: Thuto Ke Lesedi Foundation, Reabetswe Youth Training Centre and Rapela Mocha Youth Organization in the Free State Province. Tshwane Community Development Organization, Patch-up SA, Ntokozo Day Care Centre, Sandangothando Centre, Leamogetswe Safety Home, Tholulwazi Day Care Centre, Eldorado Park Shelter for abused women, Tshelang ka Lethabo ECD, Mandeni Shelter for abused women, Luvuyo Orphanage Home and Mmalerato Orphanage Home and Precious Pearls Orphanage Home.		–
Sanitary and hygiene items amounting to R185 000 have been distributed to various organisations and beneficiaries, including distribution to victims of floods in KZN. These were donated to the Department by Procter and Gamble.	–	185
Thirty (30) Laptops and twenty-nine (29) Book vouchers were distributed to learners at an event held on 07 February 2023 to honour the learners from the Western Cape, who have passed their 2022 Grade 12 examinations.	–	299
TOTAL	–	484

ANNEXURES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 1H

Statement of actual monthly expenditure per grant

Grant Type	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sept 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Old age	8 049 412	8 106 220	8 112 828	8 135 484	8 159 047	8 186 004	8 231 369	8 241 689	8 291 250	8 295 922	8 344 966	8 361 039	98 515 230
War veterans	32	32	32	28	25	21	20	20	20	20	20	19	289
Disability	2 212 294	2 221 362	2 220 880	2 234 015	2 231 364	2 272 140	2 272 712	2 270 042	2 294 715	2 277 844	2 236 895	2 255 966	27 000 229
Grant in Aid	166 413	168 343	170 672	173 063	175 494	179 296	185 032	189 186	193 943	196 531	194 348	202 687	2 195 008
Foster care	335 991	359 151	358 160	358 273	355 233	368 665	361 398	361 579	365 310	259 262	273 639	300 244	4 056 905
Care dependency	333 238	334 791	336 560	337 977	338 992	342 703	344 895	346 507	349 240	343 984	352 786	350 122	4 111 795
CSG Top-Up Grant	29 816	31 871	34 292	36 704	38 128	41 150	43 512	45 376	47 522	47 228	48 295	51 471	495 365
Child support grant	6 628 029	6 639 288	6 631 174	6 633 829	6 635 987	6 649 579	6 766 210	6 765 590	6 778 363	6 679 324	6 838 075	6 764 743	80 410 191
Social Relief of Distress (SRD)	10 096	8 784	7 154	10 338	17 756	17 651	21 247	26 034	29 905	21 963	30 127	73 120	274 175
COVID-19 SRD	2 395 607	3 034 299	2 517 863	1 216 678	4 079 958	3 597 227	2 801 679	2 731 376	3 212 157	2 224 113	3 030 829	2 626 918	33 468 704
TOTAL	20 160 928	20 904 141	20 389 615	19 136 389	22 031 984	21 654 436	21 028 074	20 977 399	21 562 425	20 346 191	21 349 980	20 986 329	250 527 891

ANNEXURES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 2

Statement of contingent liabilities as at 31 March 2024

Nature of liability	Opening balance 1 April 2023	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Labour Matter: Unfair Labour Practice	140		–	–	140
Contract Tender not Awarded	149 256		–	–	149 256
Breach of Contract	1 272		–	–	1 272
Unlawful Occupation of Land	288 919		–	–	288 919
Adoption	2 800		–	–	2 800
Rejection for Social Grant	1 200		–	–	1 200
Claim for Remuneration	88		–	–	88
Motor vehicle collision	388		–	–	388
Civil Claim: Child passed at Creche	45 000		–	–	45 000
Proposal for settlement to pay compensation for unpaid disability grant for the past two years	–	50	–	–	50
Motor vehicle collision	–	25	–	–	25
TOTAL	489 063	75	–	–	489 138

ANNEXURES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

The Status Quo of the Prior year (2022/23) balances remained unchanged.

1. Unfair Labour Practice (R140 thousand): the matter is dormant: still await confirmation of the current status from the office of the State Attorney.
2. Contract Tender not Awarded (R149,256 million): A claim by IT Lynx relates to the alleged award to IT Lynx by SITA in respect of design Development and Implementation of a Grant Administration System for the Department of Social Development (hereinafter referred to as "the Tender") IT Lynx further alleges that a Tender was awarded to it by a letter dated 3 July 2002 from SITA, but the Minister, SITA and Minister of Finance has failed to implement the Tender. IT Lynx further alleges that after the Tender was awarded to it, the Minister has prevented the implementation of the award of the Tender pending negotiations with National Treasury. IT Lynx therefore seeks the reinstatement of the Tender or an award of compensation in the amount of R149 000 000.00 (One hundred and forty-nine million Rand) The matter is dormant.
3. Breach of Contract (R1,272 million): The office of the State Attorney advised the Department that this matter has been dormant since November 2020.
4. Unlawful Occupation of Land (R288,919 million): This is an application in which the applicant alleges that he is the owner of the properties to wit, Moeijelyk 412 KS, Zwartkoppies 413 KS and Waterkop 113 KT ("the Properties") situated in Limpopo, which properties he intended to develop for business and residential purposes. The Applicant further alleges that such developments could not advance due to the spatial development facilitation scheme's lack of issuing of the water supply licence. Currently, Sefateng Chrome Mine (Pty) Ltd and Bauba a Hlabirwa Investments (Pty) Ltd have been granted mining and prospecting rights for the coming 30 years which has attracted informal settlements such as Motjwadibe and Jebeng communities ("11th and 12th Respondents") The applicant further alleges that they have invaded his properties and built permanent structures in the form of houses without his consent. Consequently, the applicant seek relief from Court declaring that the Minister and other respondents be obliged in terms of Sections 25 and 26 of the Constitution to purchase the properties in the sum of R 288 919 000.00 (Two hundred and eighty-eight million nine hundred and nineteen thousand rand). The Department filed a notice of intention to oppose the application with the office of the State Attorney.
5. Adoptions (R2,800 million): This is an action proceeding in terms of which the Plaintiff is suing the Department for constitutional and delictual damages in the amount of R 2 800 000 for an alleged illegal adoption which was processed by a private adoption agency. The Department has filed a notice of intention to defend the action and has further filed an exception in terms of Rule 23 (1) as the plaintiff failed to allege on what basis the second defendant is vicariously liable for the actions of parties who were involved in the adoption process. The Office of the State Attorney initiated a process to have the matter enrolled for an exception hearing. Department still awaits a hearing date.
6. Claim for remuneration (R88 thousand): The Department filed a notice of exception to remove cause of complaint in terms of rule 19(1) of the Magistrate's court rules. Department still awaits a hearing date.
7. Motor vehicle collision: The Plaintiff is claiming an amount of R388 thousand for an alleged motor vehicle collision with the second defended who is allegedly in the employ of the Minister of Social Development. The Department has filed a notice of intention to defend the matter.
8. Civil claim. Child passed on at the Creche (R45 million): The compensation amount is claimed from both MEC and Minister, jointly and severally. Gauteng Provincial Department of Social Development is taking a lead on the matter.
9. New Cases: 2023/24
10. Proposal for settlement to pay compensation for unpaid disability grant for the past two years (R50 thousand): This is a review application in terms of section 6 and 8 of the promotion of administrative Act 3 of 2000, in which the applicant alleges that she is claiming for compensation from the Minister of Social Development and the other respondent jointly. Settlement proposal has been issued by the applicant's legal representatives to settle this matter amicably out of court. National NDSD has rejected the proposed settlement.
11. Motor vehicle collision (R25 thousand): The Plaintiff is claiming an amount of R 25 000 for an alleged motor vehicle collision with the second defended who is allegedly in the employ of the Minister of Social Development. The Department has filed a notice of intention to defend the matter. The Office of the State Attorney initiated a process to have the matter settled out of court

ANNEXURES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 3

Claims recoverable

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of Justice (IJS)	–	–	35 471	81	35 471	81
SASSA Trial Balance	–	–	–	3 589	–	3 589
Department of Forestry, Fisheries, & The environment	24	–	–	–	24	–
	–	–	26 168	–	26 168	–
TOTAL	24	–	61 639	3 670	61 663	3 670

ANNEXURES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 4

Inter-government payables

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Justice and Constitutional Development	170	2 240	–	80	170	2 320
Department of Women	–	–	–	387	689	387
Government Printing Works	348	–	341	630	–	630
Department of Public and Infrastructure			2 908		2 908	
TOTAL INTERGOVERNMENT PAYABLES	518	2 240	3 249	1 097	3 767	3 337

ANNEXURES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 5

Inventories

Inventories for the year ended 31 March 2024	Bottled Water R'000	School Uniforms R'000			Total R'000
Opening balance	–	–			
Add/(Less): Adjustments to prior year balances					
Add: Additions/Purchases – Cash					
Add: Additions – Non-cash	10	1 596			1 606
(Less): Disposals					
(Less): Issues	(8)	–			(8)
Add/(Less): Received current, not paid; (Paid current year, received prior year)					
Add/(Less): Adjustments					
Closing balance	2	1 596			1 598

The inventory has been valued as the lower of cost and replacement value which amounted to R1,598 million. Included in inventories is school uniform procured as part of SRD during the financial year and not distributed by 31 March 2024. The reason for the delayed distribution was amongst other reasons due to school holidays.

Inventories for the year ended 31 March 2023	Sanitary and Hygiene products R'000	Laptops R'000	Book Vouchers R'000	Insert major category of inventory R'000	Total R'000
Opening balance	185				185
Add/(Less): Adjustments to prior year balances					
Add: Additions/Purchases – Cash					
Add: Additions – Non-cash		270	30		300
(Less): Disposals					
(Less): Issues	(185)	(270)	(29)		(484)
Add/(Less): Received current, not paid; (Paid current year, received prior year)					
Add/(Less): Adjustments					
Closing balance	–	–	1		1

ANNEXURES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 6

Movement in capital work in progress

Movement in capital work in progress for the year ended 31 March 2024

	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	18 652	12 294	(30 946)	–
Non-residential buildings	18 652	12 294	(30 946)	–
TOTAL	18 652	12 294	(30 946)	–

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	15 459	3 409	(216)	18 652
Non-residential buildings	15 459	3 409	(216)	18 652
TOTAL	15 459	3 409	(216)	18 652

ANNEXURES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 7

Inter-entity advances paid (note 10)

Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2024	31/03/2023	31/3/2024	31/03/2023	31/3/2024	31/03/2023
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Dept of International Relations and CO.	–	586	50	620	50	1 206
Government Communication and Information System	–	1 536	–	–	–	1 536
TOTAL		2 122	50	620	50	2 742

ANNEXURES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 8

Inter-entity advances received (note 16)

Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2024	31/03/2023	31/3/2024	31/03/2023	31/3/2024	31/03/2023
	R'000	R'000	R'000	R'000	R'000	R'000
PROVINCIAL DEPARTMENTS						
Non-current	–	–	212	212	212	212
NISIS PROJECT						
TOTAL	–	–	212	212	212	212
Non-current	–	–	212	212	212	212

ANNEXURES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 9

Natural disaster or relief expenditure

Per quarter and in total

Expenditure per economic classification	2023/24					2022/23
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services	5 385	–	–	–	–	75 696
List all applicable SCOA level 4 items						
Communication	5 385	–	–	–	–	75 690
Decontam supplies						6
Transfers and subsidies	7 947 769	8 893 863	8 745 212	7 881 860	33 468 704	30 194 747
List all applicable SCOA level 4 items						
Social Relief for COVID pandemic	7 947 769	8 893 863	8 745 212	7 881 860	33 468 704	30 194 747
Expenditure for capital assets						–
List all applicable SCOA level 4 items						
TOTAL NATURAL DISASTER OR RELIEF EXPENDITURE	7 953 154	8 893 863	8 745 212	7 881 860	33 474 089	30 270 443

The increase mainly relates to the increased beneficiaries applying for the SRD R350 grant. A total amount of R33,469 billion was spent on the COVID-19 R350 SRD grant up to 31 March 2024

ANNEXURES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 10

Analysis of prepayments and advances (note 10)

Name of Entity	Sector of the entity	Description of the item paid for	Classification category	Total Contract Value	Balance outstanding as at 31 March 2023	Total amount prepaid / advanced in the current year	Less: goods, services or capital assets received in the current year	Add/Less: Other	Balance outstanding as at 31 March 2024
				R'000	R'000	R'000	R'000	R'000	R'000
Advances									
National Development Agency (CARA)	Social Sector	CARA funded project (NDA)	Public entities	5 700	740	–	(43)	–	697
Dept. of International Relations and Co. (DIRCO)		G&S: International Land arrangements	National departments	2 742	2 742	340	(2 778)	(304)	–
Total advances					3 482	340	(2 821)	(304)	697
TOTAL ADVANCES					3 482	340	(2 821)	(304)	697

An amount of R304 thousand relates to reimbursement of unspent advance amount.

The balance of R697 thousand under Public Entities is part of the advance that was paid to NDA as an administration fee for administering the CARA funds. Only an amount of R43 thousand has been expensed in the 2023/24 financial year since the NDA did not finalise the disbursement of funds to CSOs. The advance will be expensed in full once NDA has surrendered all unspent funds to the Department or utilised the remaining funds in line with the agreement.

REPORT OF THE AUDITOR-GENERAL TO MINISTER OF SOCIAL DEVELOPMENT ON DISASTER RELIEF FUND

Report on the audit of the financial statements

1. I have reviewed the financial statements of the Disaster relief fund set out on pages 226 to 236, which comprise the statement of financial position as at 31 March 2024, statement of financial performance and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

Basis for conclusion

2. Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of the Disaster Relief Fund as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of General Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act of South Africa 1 of 1999 (PFMA).

Material uncertainty relating to going concern

3. I draw attention to the matter below. My conclusion is not modified in respect of this matter.
4. The enabling act of the fund, the Fund Raising Act 107 of 1978 (FRA), has been amended and will result in the amalgamation of the fund. As stated in note 16, these events or conditions, along with the other matters as set forth in note 16, indicate that a material uncertainty exists that may cast significant doubt on the fund's ability to continue as a going concern.

Responsibilities of the accounting authority for the financial statements

5. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the

requirements of the FRA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, the accounting authority is responsible for assessing the fund'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 fund 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

7. My responsibility is to express a conclusion on the accompanying financial statements. I conducted my review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to review historical financial statements*. The standard requires me to conclude on whether anything has come to my attention that causes me to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the GRAP. This standard also requires me to comply with relevant ethical requirements.
8. A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. I am required to perform procedures, primarily consisting of making inquiries of management and others within the auditee, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.
9. The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, I do not express an audit opinion on these financial statements.

Report on the annual performance report

10. The fund is not required to prepare a report on its performance against predetermined objectives, as it does not fall within the ambit of the PFMA and such reporting is not required in terms of the entity's specific legislation.

Report on compliance with legislation

11. 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 compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the fund's compliance with legislation.
12. I performed procedures to test compliance with selected requirements in key legislation in accordance with the Auditor-General of South Africa (AGSA) findings engagement methodology. This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
13. 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 fund, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner.
14. I did not identify any material non-compliance with the selected legislative requirements.

Internal control deficiencies

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

16. I did not identify any significant deficiencies in internal control

Professional ethics and quality control

17. I am independent of the fund 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 engagements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
18. In accordance with the International Standard on Quality Management 1, the AGSA maintains a comprehensive system of quality management that includes documented policies and procedures on compliance with ethical requirements and professional standards.

AUDITOR-GENERAL

HIGH RES
IMAGE NEEDED

Pretoria
31 July 2024



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2024

	Notes	2023/24	2022/23
		R'000	R'000
REVENUE			
Other income	2	2 857	1,961
TOTAL REVENUE		2 857	1,961
EXPENDITURE			
Administrative expenses	3	(211)	(1,694)
Audit fees	4	(46)	(41)
TOTAL EXPENDITURE		(257)	(1,735)
SURPLUS / (DEFICIT) FROM OPERATIONS		2 600	226
Surplus / (DEFICIT) for the year		2 600	226

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2024

	Notes	2023/24	2022/23
		R'000	R'000
ASSETS			
Non-current assets			
Current assets			
Cash and cash equivalents	9	36 512	34,308
Account receivables from Provinces		118	118
Advances to implementing agents		5	5
TOTAL ASSETS		36,635	34,431
EQUITY AND LIABILITIES			
Unallocated Receipts		–	396
Provision		1,091	1,091
Legal cost		2,494	2,494
NET LIABILITIES		3,585	3,981
NET ASSETS AND LIABILITIES		33,050	30,450
CAPITAL AND RESERVES			
Accumulated surplus		33,050	30,450
TOTAL NET ASSETS		33,050	30,450
TOTAL NET ASSETS AND LIABILITIES		33,050	30,450

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2024

	Accumulated funds
	R'000
Balance as at 31 March 2022	30,224
Surplus for the year	226
Balance as at 31 March 2023	30,450
Surplus for the year	2,600
Balance as at 31 March 2024	33,050

CASH FLOW STATEMENT

for the year ended 31 March 2024

Cash Flow Statement 31 March 2024

	Notes	2023/24	2022/23
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and other		(257)	(136)
Unallocated receipts refunded to DSD		(396)	
Cash generated from operations	11	(653)	(136)
Interest income	2	2,857	1,961
Net cash inflow from operating activities		2,204	1,825
CASH FLOWS FROM INVESTING ACTIVITIES			
		–	–
Net cash inflows from investing activities		–	–
CASH FLOWS FROM FINANCING ACTIVITIES			
		–	–
Net cash inflows from financing activities		–	–
Net increase in cash and cash equivalents		2,204	1,825
Cash and cash equivalent at beginning of the year		34,308	32,483
Cash and cash equivalent at end of the year		36,512	34,308

NOTES TO THE FINANCIAL STATEMENTS OF THE DISASTER RELIEF FUND

for the year ended 31 March 2024

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The following are the principal accounting policies of the Fund which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated.

1.1 BASIS OF PREPARATION

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

1.1.1 The following approved Standards of GRAP have been approved and issued by the Accounting Standards Board, but only become effective in the future or have not been given an effective date by the Minister of Finance. The fund has not early-adopted any new Standards but has in some cases referred to them for guidance in developing appropriate accounting policies in accordance with the requirements of Directive 5: Determining the GRAP Reporting Framework:

- GRAP 18: Segment Reporting
- GRAP 20: Related Party Disclosures
- GRAP 32: Service Concession Arrangements: Grantor
- GRAP 105: Transfer of Function Between Entities Under Common Control
- GRAP 106: Transfer of Function Between Entities Not Under Common Control
- GRAP 107: Mergers
- GRAP 108: Statutory Receivables

1.1.2 The following interpretations have also been issued and are expected to have an insignificant impact on the financial statements, since they generally reflect the interpretations and principles already established under IFRS.

- IGRAP 1: Applying the Probability Test on initial Recognition of Revenue
- IGRAP 2: Changes in Existing Decommissioning Restoration and Similar Liabilities
- IGRAP 3: Determining Whether and Arrangement Contains a Lease
- IGRAP 4: Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IGRAP 5: Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
- IGRAP 6: Loyalty Programmes
- IGRAP 7: The Limit of a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IGRAP 8: Agreements for the Construction of Assets from Exchange Transactions
- IGRAP 9: Distributions of Non-cash Assets to Owners
- IGRAP 10: Assets Received from Customers
- IGRAP 11: Consolidation – Special Purpose Entities
- IGRAP 12: Jointly Controlled Entities – Non-Monetary Contributions by Ventures
- IGRAP 13: Operating Leases – Incentives
- IGRAP 14: Evaluating the Substance of Transactions involving the Legal Form of a Lease
- IGRAP 15: Revenue – Barter Transactions involving Advertising Services
- IGRAP 16: Intangible Assets – Website Costs
- IGRAP 17: Interpretation of the Standard of GRAP on Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an asset.

NOTES TO THE FINANCIAL STATEMENTS OF THE DISASTER RELIEF FUND

for the year ended 31 March 2024

1.2 CURRENCY

These financial statements are presented in South African Rands. All figures are rounded to the nearest one thousand.

1.3 REVENUE RECOGNITION

Revenue is recognised when it is probable that future economic benefits will flow to the fund and these benefits can be measured reliably.

Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

Income from donations and grants are included in the grant income when these are received.

1.4 INVESTMENTS

Investments are shown at cost including interest capitalised.

1.5 COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

1.6 FINANCIAL INSTRUMENTS

Recognition

Financial assets and liabilities are recognised in the balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Measurement

Financial instruments are initially measured at cost, which includes transaction cost. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets

The Fund's principal financial assets are cash and cash equivalents.

Investments

The investments are measured at subsequent reporting dates at amortised cost by using the effective interest rate method if they have a fixed maturity or at cost if there is no fixed maturity.

Trade and other receivables

Trade and other receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS OF THE DISASTER RELIEF FUND

for the year ended 31 March 2024

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and investments. Cash and cash equivalents are measured at fair value.

Financial Liabilities

The Fund's principle financial liabilities are accounts payable.

All financial liabilities are measured at amortised cost, comprising original debt less principal payments and amortisations.

1.7 EXPENDITURE

Expenditure is accounted for on the accrual basis of accounting.

1.8 PROVISIONS

Provisions are recognized when the entity has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate.

1.9 REVENUE

1.9.1 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement. Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

1.9.2 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures.

	2023/24	2022/23
	R'000	R'000
2 Revenue		
Interest received	2,857	1,961
Total	2,857	1,961

NOTES TO THE FINANCIAL STATEMENTS OF THE DISASTER RELIEF FUND

for the year ended 31 March 2024

3 Administrative Expenditure		
Fees for Services – Board Members	166	70
Bank Charges	2	1
IT Costs	–	12
Refreshments	33	2
Legal Fees	–	518
Assistance to victims	–	1,091
Licence fees	10	
Total	211	1,694
4 Audit Fees	46	41
5 Unallocated Receipts		
Funds were received from KZN	–	396
Waiting for source documents		
6 Legal Cost	2,494	2,494
7 Provisions	1,091	1,091

8 Risk Management

8.1 Financial Risk Factors

8.1.1 Market Risk

Market risk is the risk that changes in market prices. Interest rates will affect the Disaster Relief Fund. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing return. The Disaster Relief Fund does not manage this risk aggressively as the investments of funds are determined by the Minister of Social Development and the Minister of Finance. Within these parameters, funds are invested with reputable financial institutions.

8.1.2 Credit Risk

Credit risk is the risk of financial loss to the Disaster Relief Fund if a financial institution to a financial instrument fails to meet its contractual obligations.

The Disaster Relief Fund exposure to credit risk is influenced only by the individual characteristics of the financial institutions where funds are deposited or invested. Reputable financial institutions are used for investing and cash handling purposes.

NOTES TO THE FINANCIAL STATEMENTS OF THE DISASTER RELIEF FUND

for the year ended 31 March 2024

8.1.3 Financial Assets

	2023/24	2022/23
	R'000	R'000
Cost	33,655	32,347
Additions during the year	2,857	1,961
Closing Balance	36,512	34,308

8.1.4 Liquidity risk

Liquidity risk is the risk that the Disaster Relief Fund will not be able to meet its financial obligations as they fall due. The Disaster Relief Fund's approach to managing liquidity is to ensure that investment terms chosen will ensure that it will always have sufficient liquidity to meet its liabilities when due. The Disaster Relief Fund monitors its cash flow requirements and optimizes its cash return on investments.

	2023/24	2022/23
	R'000	R'000
Cash and Cash Equivalents		
Cash and Balances with Banks	82	735
Investments	36,430	33,573
Total	36,512	34,308

8.1.5 Interest Rate Risk

The Disaster Relief Fund manages its interest risk by effectively investing surplus funds with different accredited financial institutions. Any movement in interest rate will affect interest income. Interest income is capitalised and will therefore not affect the operations of the Disaster Relief Fund.

	Change	2023/24	2022/23
		Effective Rate	Effective Rate
Investments	(2%)	7.84%	5.84%

8.1.6 Interest risk sensitivity analysis

	2023/24	2022/23
	R'000	R'000
Investments	36,430	33,573
2% interest fluctuation impact	728.6	721.82

8.1.7 Foreign exchange risk

The fund does not hedge foreign exchange fluctuations. The fund does not have any foreign account receivables, foreign accounts payables or derivative market instruments.

8.1.8 Price risk

Due to the nature and extent of the fund, there is no exposure to price risks.

NOTES TO THE FINANCIAL STATEMENTS OF THE DISASTER RELIEF FUND

for the year ended 31 March 2024

9 Cash and Cash Equivalents

	2023/24	2022/23
Cash – Bank Deposits	82	735
Cash – Corporation for Public Deposits	36,430	33,573
Total	36,512	34,308

Credit quality of cash at bank and short-term deposits, excluding cash on hand.

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.

10 Retained Income

	2023/24	2022/23
Accumulated surplus / (Accumulated deficit)	30,450	30,224
Net Profit for this year	2,600	226
Total	33,050	30,450

11 Cash generated from/ (utilized in) Operations

	2023/24	2022/23
Surplus/ (deficit) before tax	2,600	226
(Interest received)	(2857)	(1,961)
Increase/(decrease) in payables	(396)	1,599
(Increase)/decrease in receivables	–	–
Net cash flow from operating activities	(653)	(136)

12 Events after Balance Sheet Date

None identified to date.

13 List Of Meeting Disaster Relief Fund Board April 2023 – March 2024

Date	Meeting	Venue
10 July 2023	DRF meeting	HSRC Building
05 October 2023	DRF meeting	Stats SA
06 October 2023	DRF meeting with Minister	Nelson Mandela Foundation
20 November 2023	DRF Strategic meeting	Stats SA
21 November 2023	DRF Strategic meeting	Stats SA
24 January 2024	Ad Hoc Committee meeting	MS Teams
08 February 2024	Stakeholder & Fundraising Committee meeting	Stats SA
09 February 2024	DRF meeting	Stats SA
19 March 2024	Audit, Risk & Compliance Committee	MS Teams
26 March 2024	Disbursement Committee	MS Teams

14 Related party transactions

14.1 The Department of Social Development

The executive authority of the Disaster Relief Fund is the Department of Social Development (DSD). Although a related party relationship exists between the DSD and the fund, there were no transactions with DSD.

14.2 Relief fund Boards

A related party relationship exists between the Disaster Relief Fund and the Social Relief Fund, the Refugee Relief fund and the State President's Fund. There were no transactions between the above-mentioned related parties

14.3 National Development Agency (NDA)

A related party relationship exists between the Disaster Relief Fund and the NDA. There were no transactions between the parties.

14.4 South African Social Security Agency (SASSA)

A related party relationship exists between the Disaster Relief Fund and SASSA. There were no transactions between the parties.

15 Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The fund will be merged with other funds, namely: Social Relief Fund, State President Fund and Refugee Relief Fund. The Fundraising Amendment Act, No. 11 of 23 was approved by the President on 20 December 2023 and the implementation of the Act requires that we finalise subordinate legislation in the form of Regulations to the Fundraising Act as amended. The fund can be consolidated with other funds into one Disaster Relief and National Development Fund only after the final proclamation to operationalise the Act has been gazetted.

REPORT OF THE AUDITOR-GENERAL TO THE MINISTER OF SOCIAL DEVELOPMENT ON THE REFUGEE RELIEF FUND

Report on the audit of financial statements

Opinion

1. I have audited the financial statements of the Refugee Relief Fund set out on pages 240 to 249, which comprise the statement of financial position as at 31 March 2024, the statement of financial performance, 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 Refugee Relief Fund as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP).

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 Fund in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code), as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty related to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. The enabling act of the fund, the Fund Raising Act 107 of 1978 (FRA), has been amended and will result in the

dissolution of the fund. As stated in note 11, these events or conditions, along with the other matters as set forth in note 11, indicate that a material uncertainty exists that may cast significant doubt on the fund's ability to continue as a going concern.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general's for the audit of the financial statements

10. 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.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report. This description, which is located at page 239, forms part of my auditor's report.

Reporting on performance information

12. The Fund is not required to prepare a report on its performance against predetermined objectives, as it does not fall within the ambit of the PFMA and such reporting is not required in terms of the entity's specific legislation.

Report on compliance with legislation

13. As the fund was dormant for the year under review, no work was performed to test compliance with key legislation.

Other information in the annual report

14. The accounting authority is responsible for the other information included in the annual the other information referred to does not include the financial statements and the auditor's report.
15. My opinion on the financial statements does 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.
16. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

17. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement there in, 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

18. I considered internal control relevant to my audit of the financial statements; however, my objective was not to express any form of assurance on it.
19. I did not identify any significant deficiencies in internal control.

AUDITOR-GENERAL

**HIGH RES
IMAGE NEEDED**

Pretoria
July 2024



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in the 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 fund'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 fund 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 the auditor's report. However, future events or conditions may cause a fund 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

I communicate with the accounting authority 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.

I also provide the accounting authority 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.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2024

	Notes	2023/24	2022/23
		R'000	R'000
REVENUE			
Other income	2	53	38
TOTAL REVENUE		53	38
EXPENDITURE			
Administrative expenses	3	(1)	(2)
Audit fees	4	(29)	(32)
TOTAL EXPENDITURE		(30)	(34)
SURPLUS / (DEFICIT) FROM OPERATIONS		23	4
Surplus / (Deficit) for the year		23	4

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2024

	Notes	2023/24	2022/23
		R'000	R'000
ASSETS			
Non-current assets			
Current assets			
Cash and cash equivalents	6	671	648
TOTAL ASSETS		671	648
LIABILITIES			
Non-current liabilities		–	–
Current liabilities		–	–
TOTAL LIABILITIES		–	–
NET ASSETS			
Accumulated surplus		671	648
TOTAL NET ASSETS		671	648

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2024

	Accumulated funds
	R'000
Balance as at 31 March 2022	644
Surplus for the year	4
Balance as at 31 March 2023	648
Surplus for the year	23
Balance as at 31 March 2024	671

CASH FLOW STATEMENT

for the year ended 31 March 2024

	Notes	2023/24	2022/23
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash paid to suppliers and employees	7	(30)	(34)
Cash utilized in operations		(30)	(34)
Interest received	2	53	38
Net cash inflow from operating activities	8	23	4
CASH FLOW FROM INVESTING ACTIVITIES			
Trading investments		–	–
Net cash flows from investing activities		–	–
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash flow from financial activities		–	–
Net increase in cash and cash equivalents		23	4
Cash and cash equivalent at beginning of the year		648	644
Cash and cash equivalent at end of the year		671	648

NOTES TO THE FINANCIAL STATEMENTS OF THE REFUGEE RELIEF FUND

for the year ended 31 March 2024

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognized Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The following are the principal accounting policies of the Fund which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated.

1.1 BASIS OF PREPARATION

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognized Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

- 1.1.1 The following approved Standards of GRAP have been approved and issued by the Accounting Standards Board, but only become effective in the future or have not been given an effective date by the Minister of Finance. The fund has not early-adopted any new Standards but has in some cases referred to them for guidance in developing appropriate accounting policies in accordance with the requirements of Directive 5: Determining the GRAP Reporting Framework:

- GRAP 20: Related Party Disclosures

- 1.1.2 The following interpretations have also been issued and are expected to have an insignificant impact on the financial statements, since they generally reflect the interpretations and principles already established under IFRS.

- IGRAP 1: Applying the probability test on initial recognition of revenue.
- IGRAP 2: Changes in existing decommissioning restoration and similar liabilities.
- IGRAP 3: Determining whether and arrangement contains a lease.
- IGRAP 4: Rights to interests arising from decommissioning, restoration, and environmental rehabilitation funds.
- IGRAP 5: Applying the restatement approach under the standard of GRAP on financial reporting in hyperinflationary economies.
- IGRAP 6: Loyalty programmes.
- IGRAP 7: The limit of a defined benefit asset, minimum funding requirements and their interaction.
- IGRAP 8: Agreements for the construction of assets from exchange transactions.
- IGRAP 9: Distributions of non-cash assets to owners.
- IGRAP 10: Assets received from customers.
- IGRAP 11: Consolidation – special purpose entities.
- IGRAP 12: Jointly controlled entities – non-monetary contributions by ventures.
- IGRAP 13: Operating leases – Incentives.
- IGRAP 14: Evaluating the substance of transactions involving the legal form of a lease.
- IGRAP15: Revenue – barter transactions involving advertising services.
- IGRAP 16: Intangible assets – website costs.
- IGRAP 17: Interpretation of the standard of GRAP on service concession arrangements where a grantor controls a significant residual interest.

1.2 CURRENCY

These financial statements are presented in South African Rands. All figures are rounded to the nearest one rand.

NOTES TO THE FINANCIAL STATEMENTS OF THE REFUGEE RELIEF FUND

for the year ended 31 March 2024

1.3 REVENUE RECOGNITION

Revenue is recognized when it is probable that future economic benefits will flow to the fund and these benefits can be measured reliably.

Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

1.3.1 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

1.3.2 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures.

1.4 INVESTMENTS

Investments are shown at fair value including interest capitalized.

1.5 COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

1.6 FINANCIAL INSTRUMENTS

Recognition

Financial assets and liabilities are recognized in the balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Measurement

Financial instruments are initially measured at cost, which includes transaction cost. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets

The Fund's principal financial assets are investments.

All financial assets are measured at amortized cost, comprising original debt less principal payments and amortizations.

Investments

The investments are measured at subsequent reporting dates at amortized cost by using the effective interest rate method if they have a fixed maturity or at cost if there is no fixed maturity.

NOTES TO THE FINANCIAL STATEMENTS OF THE REFUGEE RELIEF FUND

for the year ended 31 March 2024

Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

Financial Liabilities

The Fund's principle financial liabilities are accounts payable.

All financial liabilities are measured at amortized cost, comprising original debt less principal payments and amortizations.

1.7 EXPENDITURE

Expenditure is accounted for on the accrual basis of accounting.

1.8 PROVISIONS

Provisions are recognized when the entity has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate.

2 Revenue

	2023/24	2022/23
	R'000	R'000
Interest received	53	38
Total	53	38

3 Administrative Expenditure

	2023/24	2022/23
	R'000	R'000
Bank Charges	1	2
Total	1	2

4 Audit Fees

29	32
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NOTES TO THE FINANCIAL STATEMENTS OF THE REFUGEE RELIEF FUND

for the year ended 31 March 2024

5 Risk Management

5.1 Financial Risk Factors

5.1.1 Market Risk

Market risk is the risk that changes in market prices. Interest rates will affect the Refugee Relief Fund. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing return. The Refugee Relief Fund does not manage this risk aggressively as the investments of funds are determined by the Minister of Social Development and the Minister of Finance. Within these parameters, funds are invested with reputable financial institutions.

5.1.2 Credit Risk

Credit risk is the risk of financial loss to the Refugee Relief Fund if a financial institution to a financial instrument fails to meet its contractual obligations.

The Refugee Relief Fund exposure to credit risk is influenced only by the individual characteristics of the financial institutions where funds are deposited or invested. Reputable financial institutions are used for investing and cash handling purposes.

	2023/24	2022/23
	R'000	R'000
Financial Assets		
Cost	648	644
Additions during the year	23	4
Closing Balance	671	648

5.1.3 Liquidity risk

Liquidity risk is the risk that the Refugee Relief Fund will not be able to meet its financial obligations as they fall due. The Refugee Relief Fund's approach to managing liquidity is to ensure that investment terms chosen will ensure that it will always have sufficient liquidity to meet its liabilities when due. The Refugee Relief Fund monitors its cash flow requirements and optimizes its cash return on investments.

	2023/24	2022/23
	R'000	R'000
Cash and Cash Equivalents		
Cash and Balances with Banks	8	8
Investment	663	640
Total	671	648

NOTES TO THE FINANCIAL STATEMENTS OF THE REFUGEE RELIEF FUND

for the year ended 31 March 2024

5.1.4 Interest Rate Risk

The Refugee Relief Fund manages its interest risk by effectively investing surplus funds with different accredited financial institutions. Any movement in interest rate will affect interest income. Interest income is capitalized and will therefore not affect the operations of the Refugee Relief Fund.

	Change	2023/24	2022/23
		Effective Rate	Effective Rate
Investment	2.05%	7.99%	5.94%
		2022/23	2022/23
Interest risk sensitivity analysis			
Investment		663	640
2.05% interest fluctuation impact		13,59	13,89

5.1.5 Foreign exchange risk

The fund does not hedge foreign exchange fluctuations. The fund does not have any foreign account receivables, foreign accounts payables or derivative market instruments.

5.1.6 Price risk

Due to the nature and extent of the fund, there is no exposure to price risks.

6 Cash and Cash Equivalents

	2023/24	2022/23
	R'000	R'000
Cash – Bank Deposits	8	8
Cash – Corporation for Public Deposits	663	640
Total	671	648

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates

7 Cash generated from/(utilized in) Operations

	2023/24	2022/23
	R'000	R'000
Surplus / (Deficit) before tax	23	4
(Interest received)	(53)	(38)
Net cash flow from operating activities	(30)	(34)

NOTES TO THE FINANCIAL STATEMENTS OF THE REFUGEE RELIEF FUND

for the year ended 31 March 2024

8 Net cash inflows/outflows from Operating

	2023/24	2022/23
	R'000	R'000
Activities		
Cash payments to suppliers and employees	(30)	(34)
Cash generated from/(utilized in) operations	(30)	(34)
Interest received	53	38
Net cash inflows/outflows from operating activities	23	4

9 Events after Balance Sheet Date

None identified to date.

10 Related party transactions

10.1 The Department of Social Development

The executive authority of the Refugee Relief Fund is the Minister of Department of Social Development (DSD). Although a related party relationship exists between the DSD and the fund, there were no transactions with DSD.

10.2 Relief Fund Boards

A related party relationship exists between the Refugee Relief Fund, the Disaster Relief Fund, the Social Relief Fund and the State President's Fund. There were no transactions between the above-mentioned related parties.

10.3 National Development Agency (NDA)

A related party relationship exists between the Refugee Relief Fund and the NDA. There were no transactions between the parties.

10.4 South African Social Security Agency (SASSA)

A related party relationship exists between the Refugee Relief Fund and SASSA. There were no transactions between the parties.

11 Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The fund is in the process of being closed. The Fundraising Amendment Act, No. 11 of 23 was approved by the President on 20 December 2023 and the implementation of the Act requires that finalise subordinate legislation in the form of Regulations to the Fundraising Act as amended. The fund can be closed and consolidated into one Disaster Relief and National Development Fund only after the final proclamation to operationalise the Act has been gazetted.

REPORT OF THE AUDITOR-GENERAL TO THE MINISTER OF SOCIAL DEVELOPMENT ON THE SOCIAL RELIEF FUND

Report on the audit of financial statements

Opinion

1. I have audited the financial statements of the Social Relief Fundset out on pages 253 to 262, which comprise the statement of financial position as at 31 March 2024, the statement of financial performance, cashflow 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 Social Relief Fund as at 31 March 2024, and its financial performance and cashflows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP).

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 Fund in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code), as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty related to going concern

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

7. The enabling act of the fund, the Fund Raising Act 107 of 1978 (FRA), has been amended and will result in the dissolution of the fund. As stated in note 12, these events or conditions, along with the other matters as set forth in note 12, indicate that a material uncertainty exists that may cast significant doubt on the fund's ability to continue as a going concern.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the fund'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 Fund 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

10. 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.

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report. This description, which is located at page 252, forms part of my auditor's report.

Reporting on performance information

12. The fund is not required to prepare a report on its performance against predetermined objectives, as it does not fall within the ambit of the PFMA and such reporting is not required in terms of the entity's specific legislation.

Report on compliance with legislation

13. As the fund was dormant for the year under review, no work was performed to test compliance with key legislation.

Other information in the annual report

14. The accounting authority is responsible for the other information included in the annual the other information referred to does not include the financial statements and the auditor's report.
15. My opinion on the financial statements does 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.
16. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

17. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

18. I considered internal control relevant to my audit of the financial statements; however, my objective was not to express any form of assurance on it.
19. I did not identify any significant deficiencies in internal control.

Auditor-General

HIGH RES
IMAGE NEEDED

Pretoria
31 July 2024



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT:

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in the 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 fund'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 fund 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 the auditor's report. However, future events or conditions may cause a fund 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

I communicate with the accounting authority 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.

I also provide the accounting authority 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.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2024

	Notes	2023/24	2022/23
		R'000	R'000
REVENUE			
Other income	2	4,060	2,788
TOTAL REVENUE		4,060	2,788
EXPENDITURE			
Administrative expenses	3	–	(1)
Audit fees	4	(37)	(32)
TOTAL EXPENDITURE		(37)	(33)
SURPLUS FROM OPERATIONS		4,023	2,755
Surplus for the year		4,023	2,755

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2024

	Notes	2023/24	2022/23
		R'000	R'000
ASSETS			
Non-current assets: on-current		–	–
Current assets			
Cash and cash equivalents	7	51,768	47,745
TOTAL ASSETS		51,768	47,745
LIABILITIES			
Non-current liabilities			
Current Liabilities			
Other Payables	5	(8)	(8)
CAPITAL AND RESERVES		51,760	47,737
Accumulated surplus		51,760	47,737
TOTAL NET ASSETS		51,760	47,737

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2024

	Accumulated funds
	R'000
Balance as at 31 March 2022	44,982
(Deficit) Surplus for the year	2,755
Balance as at 31 March 2023	47,737
(Deficit) Surplus for the year	4,023
Balance as at 31 March 2024	51,760

CASH FLOW STATEMENT

for the year ended 31 March 2024

	Notes	2023/24	2022/23
		R'000	R'000
CASH FLOWS FROM OPERATING			
ACTIVITIES			
Cash paid to suppliers and employees	8	(37)	(33)
Cash generated from/ (utilized in) Operations		(37)	(33)
Interest received	2	4,060	2,788
Net cash inflow / (outflow) from operating activities	9	4,023	2,755
CASH FLOW FROM INVESTING ACTIVITIES			
Net cash flow from investing activities		–	–
CASH FLOW FROM FINANCING ACTIVITIES			
Provision for Future expense		–	–
Net cash flow from financing activities		–	–
Net inflow/outflow in cash and cash equivalents		4,023	2,755
Cash and cash equivalent at beginning of the year		47,745	44,990
Cash and cash equivalent at end of the Year		51,768	47,745

NOTES TO THE FINANCIAL STATEMENTS OF THE SOCIAL RELIEF FUND

for the year ended 31 March 2024

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognized Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The following are the principal accounting policies of the Fund which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated.

1.1 BASIS OF PREPARATION

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognized Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

- 1.1.1 The following approved Standards of GRAP have been approved and issued by the Accounting Standards Board, but only become effective in the future or have not been given an effective date by the Minister of Finance. The fund has not early-adopted any new Standards but has in some cases referred to them for guidance in developing appropriate accounting policies in accordance with the requirements of Directive 5: Determining the GRAP Reporting Framework:

- GRAP 20: Related Party Disclosures

- 1.1.2 The following interpretations have also been issued and are expected to have an insignificant impact on the financial statements, since they generally reflect the interpretations and principles already established under IFRS.

- IGRAP 1: Applying the Probability Test on initial Recognition of Revenue
- IGRAP 2: Changes in Existing Decommissioning Restoration and Similar Liabilities
- IGRAP 3: Determining Whether an Arrangement Contains a Lease
- IGRAP 4: Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IGRAP 5: Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
- IGRAP 6: Loyalty Programmes
- IGRAP 7: The Limit of a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IGRAP 8: Agreements for the Construction of Assets from Exchange Transactions
- IGRAP 9: Distributions of Non-cash Assets to Owners
- IGRAP 10: Assets Received from Customers
- IGRAP 11: Consolidation – Special Purpose Entities
- IGRAP 12: Jointly Controlled Entities – Non-Monetary Contributions by Ventures
- IGRAP 13: Operating Leases – Incentives
- IGRAP 14: Evaluating the Substance of Transactions involving the Legal Form of a Lease
- IGRAP 15 : Revenue – Barter Transactions involving Advertising Services
- IGRAP 16: Intangible Assets – Website Costs

1.2 CURRENCY

These financial statements are presented in South African Rands. All figures are rounded to the nearest one thousand.

NOTES TO THE FINANCIAL STATEMENTS OF THE SOCIAL RELIEF FUND

for the year ended 31 March 2024

1.3 REVENUE RECOGNITION

Revenue is recognized when it is probable that future economic benefits will flow to the fund and these benefits can be measured reliably.

Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

1.3.1 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

1.3.2 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedure

1.4 INVESTMENTS

Investments are shown at cost including interest capitalized.

1.5 COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

1.6 FINANCIAL INSTRUMENTS

1.6.1 Recognition

Financial assets and liabilities are recognized in the balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

1.6.2 Measurement

Financial instruments are initially measured at fair value which includes transaction cost. Subsequent to initial recognition these instruments are measured as set out below.

1.6.3 Financial assets

The Fund's principal financial assets are investments.

All financial assets are measured at amortized cost, comprising original debt less principal payments and amortizations.

1.6.4 Investments

The investments are measured at subsequent reporting dates at amortized cost by using the effective interest rate method if they have a fixed maturity or at cost if there is no fixed maturity.

NOTES TO THE FINANCIAL STATEMENTS OF THE SOCIAL RELIEF FUND

for the year ended 31 March 2024

1.6.5 Trade and other receivables

Trade and other receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts.

1.6.6 Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

1.6.7 Financial Liabilities

The Fund's principle financial liabilities are accounts payable.

All financial liabilities are measured at amortized cost, comprising original debt less principal payments and amortizations.

1.7 EXPENDITURE

Expenditure is accounted for on the accrual basis of accounting.

2 Revenue

	2023/24	2022/23
	R'000	R'000
Interest received	4,060	2,788
Total	4,060	2,788

3 Administrative Expenditure

Bank Charges	–	1
Total	–	1

4 Audit Fees

37

32

5 Trade and other payables

8

8

6 Risk Management

6.1.1 Market Risk

Market risk is the risk that changes in market prices. Interest rates will affect the Social Relief Fund. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing return. The Social Relief Fund does not manage this risk aggressively as the investments of funds are determined by the Minister of Social Development and the Minister of Finance. Within these parameters, funds are invested with reputable financial institutions.

6.1.2 Credit Risk

Credit risk is the risk of financial loss to the Social Relief Fund if a financial institution to a financial instrument fails to meet its contractual obligations.

The Social Relief Fund exposure to credit risk is influenced only by the individual characteristics of the financial institutions where funds are deposited or invested. Reputable financial institutions are used for investing and cash handling purposes.

NOTES TO THE FINANCIAL STATEMENTS OF THE SOCIAL RELIEF FUND

for the year ended 31 March 2024

Credit Risk Affect Financial Assets	2023/24	2022/23
	R'000	R'000
Cost	47,737	44,982
Additions during the year	4,023	2,755
Closing Balance	51,760	47,737

6.1.3 Liquidity risk

Liquidity risk is the risk that Social Relief Fund will not be able to meet its financial obligations as they fall due. The Social Relief Fund's approach to managing liquidity is to ensure that investment terms chosen will ensure that it will always have sufficient liquidity to meet its liabilities when due.

Cash and Cash Equivalents	2023/24	2022/23
	R'000	R'000
Cash and Balances with Banks	14	20
Investments	51,754	47,725
Total	51,768	47,745

6.1.4 Interest Rate Risk

The Social Relief Fund manages its interest risk by effectively investing surplus funds with different accredited financial institutions. Any movement in interest rate will affect interest income. Interest income is capitalized and will therefore not affect the operations of the Social Relief Fund.

	Change	2023/24	2022/23	Change
		Effective Rate	Effective Rate	
Investment	2%	7,84%	5,84%	0.06%

Interest risk sensitivity analysis	2023/24	2022/23
Investments	51,754	47,725
2% interest fluctuation impact	1,035.08	1,021.32

6.1.5 Foreign exchange risk

The fund does not hedge foreign exchange fluctuations. The fund does not have any foreign account receivables, foreign accounts payables or derivative market instruments.

6.1.6 Price risk

Due to the nature and extent of the fund, there is no exposure to price risks.

NOTES TO THE FINANCIAL STATEMENTS OF THE SOCIAL RELIEF FUND

for the year ended 31 March 2024

7 Cash and Cash Equivalents

	2023/24	2022/23
	R'000	R'000
Cash – Bank Deposits	14	20
Cash – Investment Account	51,754	47,725
Total	51,768	47,745

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.

8 Cash generated from/ (utilized in) Operations

	2023/24	2022/23
	R'000	R'000
Surplus/ (deficit) before tax	4,023	2,755
(Interest received)	(4,060)	(2,788)
Net cash generated from Operations	(37)	(33)

9 Net cash inflows/outflows from Operating

	2023/24	2022/23
	R'000	R'000
Activities		
Cash payments to suppliers and employees	(37)	(33)
Cash generated from/ (utilized in) operations	(37)	(33)
Interest received	4,060	2,788
Net cash inflows/outflows from operating activities	4,023	2,755

10 Events after Balance Sheet Date

None identified to date.

NOTES TO THE FINANCIAL STATEMENTS OF THE SOCIAL RELIEF FUND

for the year ended 31 March 2024

11 Related Party Transactions

11.1 The Department of Social Development

The executive authority of the Social Relief Fund is the Minister of the Department of Social Development (DSD). Although a related party relationship exists between the DSD and the fund, there were no transactions with DSD.

11.2 Relief Fund Boards

A related party relationship exists between the Social Relief Fund, the Disaster Relief Fund, the Refugee Relief Fund and the State President's Fund. There were no transactions between the above-mentioned related parties.

11.3 National Development Agency (NDA)

A related party relationship exists between the Social Relief Fund and the NDA. There were no transactions between the parties.

11.4 South African Social Security Agency (SASSA)

A related party relationship exists between the Social Relief Fund and SASSA. There were no transactions between the parties.

12 Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The fund is in the process of being closed. The Fundraising Amendment Act, No. 11 of 23 was approved by the President on 20 December 2023 and the implementation of the Act requires that finalise subordinate legislation in the form of Regulations to the Fundraising Act as amended. The fund can be closed and consolidated into one Disaster Relief and National Development Fund only after the final proclamation to operationalise the Act has been gazetted.

REPORT OF THE AUDITOR-GENERAL TO THE MINISTER OF SOCIAL DEVELOPMENT ON THE STATE PRESIDENT FUND

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the State President Fund set out on pages 266 to 275, which comprise the statement of financial position as at 31 March 2024, the statement of financial performance, 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 State President Fund as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP).

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 fund in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code), as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty related to going concern

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

7. The enabling act of the fund, the Fund Raising Act 107 of 1978 (FRA), has been amended and will result in the dissolution of the fund. As stated in note 11, these events or conditions, along with the other matters as set forth in note 11, indicate that a material uncertainty exists that may cast significant doubt on the fund's ability to continue as a going concern.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the fund'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 fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general's for the audit of the financial statements

10. 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.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report. This description, which is located at page 265, forms part of my auditor's report.

Reporting on performance information

12. The fund is not required to prepare a report on its performance against predetermined objectives, as it does not fall within the ambit of the PFMA and such reporting is not required in terms of the entity's specific legislation.

Report on compliance with legislation

13. As the fund was dormant for the year under review, no work was performed to test compliance with key legislation.

Other information in the annual report

14. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements and the auditor's report.
15. My opinion on the financial statements does 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.
16. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

17. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

18. I considered internal control relevant to my audit of the financial statements; however, my objective was not to express any form of assurance on it.
19. I did not identify any significant deficiencies in internal control.

Auditor-General

**HIGH RES
IMAGE NEEDED**

Pretoria

31 July 2024



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in the 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 fund'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 fund 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 the auditor's report. However, future events or conditions may cause a fund 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

I communicate with the accounting authority 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.

I also provide the accounting authority 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.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2024

	Notes	2023/24	2022/23
		R'000	R'000
REVENUE			
Other income	2	4,241	2,914
TOTAL REVENUE		4,241	2,914
EXPENDITURE			
Administrative expenses	3	(1)	(2)
Audit fees	4	(25)	(32)
TOTAL EXPENDITURE		(26)	(34)
SURPLUS FROM OPERATIONS		4,215	2,880
Surplus for the year		4,215	2,880

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2024

	Notes	2023/24	2022/23
		R'000	R'000
ASSETS			
Current assets			
Cash and cash equivalents	6	54,089	49,871
TOTAL ASSETS		54,089	49,871
EQUITY AND LIABILITIES			
Unallocated Receipts		3	–
TOTAL LIABILITIES		3	–
NET ASSETS AND LIABILITIES		54,086	–
Accumulated surplus		54,086	49,871
TOTAL NET ASSETS		54,086	49,871

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2024

	Accumulated funds
	R'000
Balance as at 31 March 2022	46,991
(Deficit) Surplus for the year	2,880
Balance as at 31 March 2023	49,871
(Deficit) Surplus for the year	4,215
Balance as at 31 March 2024	54,086

CASH FLOW STATEMENT

for the year ended 31 March 2024

		2023/24	2022/23
	Notes	R'000	R'000
CASH FLOWS FROM OPERATING			
ACTIVITIES			
Cash paid to suppliers and employees	7	(26)	(34)
Cash utilized in operations		(26)	(34)
Interest received	2	4,241	2,914
Net cash inflow from operating activities		4,215	2,880
CASH FLOW FROM INVESTING ACTIVITIES			
Net cash flows from investing activities		–	–
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash from financial activities		–	–
Net increase in cash and cash equivalents		4,215	2,880
Cash and cash equivalent at beginning of the year		49,871	46,991
Cash and cash equivalent at end of the year	6	54,086	49,871

NOTES TO THE FINANCIAL STATEMENTS OF THE STATE PRESIDENT FUND

for the year ended 31 March 2024

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognized Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The following are the principal accounting policies of the Fund which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated.

1.1 BASIS OF PREPARATION

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognized Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

- 1.1.1 The following approved Standards of GRAP have been approved and issued by the Accounting Standards Board, but only become effective in the future or have not been given an effective date by the Minister of Finance. The fund has not early-adopted any new Standards but has in some cases referred to them for guidance in developing appropriate accounting policies in accordance with the requirements of Directive 5: Determining the GRAP Reporting Framework:

- GRAP 20: Related Party Disclosures

- 1.1.2 The following interpretations have also been issued and are expected to have an insignificant impact on the financial statements, since they generally reflect the interpretations and principles already established under IFRS.

- IGRAP 1: Applying the Probability Test on initial Recognition of Revenue
- IGRAP 2: Changes in Existing Decommissioning Restoration and Similar Liabilities
- IGRAP 3: Determining Whether and Arrangement Contains a Lease
- IGRAP 4: Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IGRAP 5: Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
- IGRAP 6: Loyalty Programmes
- IGRAP 7: The Limit of a Defined Benefit Asset, Minimum Funding Requirements, and their Interaction
- IGRAP 8: Agreements for the Construction of Assets from Exchange Transactions
- IGRAP 9: Distributions of Non-cash Assets to Owners
- IGRAP 10: Assets Received from Customers
- IGRAP 11: Consolidation – Special Purpose Entities
- IGRAP 12: Jointly Controlled Entities – Non-Monetary Contributions by Ventures
- IGRAP 13: Operating Leases – Incentives
- IGRAP 14: Evaluating the Substance of Transactions involving the Legal Form of a Lease
- IGRAP 15: Revenue – Barter Transactions involving Advertising Services
- IGRAP 16: Intangible Assets – Website Costs
- IGRAP 17: Interpretation of the Standard of GRAP on Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an asset.

1.2 CURRENCY

These financial statements are presented in South African Rands. All figures are rounded to the nearest one thousand.

NOTES TO THE FINANCIAL STATEMENTS OF THE STATE PRESIDENT FUND

for the year ended 31 March 2024.

1.3 REVENUE RECOGNITION

Revenue is recognized when it is probable that future economic benefits will flow to the fund and these benefits can be measured reliably.

Interest income is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

1.3.1 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement. Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

1.3.2 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures.

1.4 INVESTMENTS

Investments are shown at cost including interest capitalized.

1.5 COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

1.6 FINANCIAL INSTRUMENTS

Recognition

Financial assets and liabilities are recognised in the balance sheet when the Fund becomes a party to the contractual provisions of the instrument.

Measurement

Financial instruments are initially measured at fair value, which includes transaction cost. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets

The Fund's principal financial assets are cash and cash equivalents.

All financial assets are measured at amortised cost, comprising original debt less principal payments and amortisations

NOTES TO THE FINANCIAL STATEMENTS OF THE STATE PRESIDENT FUND

for the year ended 31 March 2024

Investments

The investments are measured at subsequent reporting dates at amortised cost by using the effective interest rate method if they have a fixed maturity or at cost if there is no fixed maturity.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and investments. Cash and cash equivalents are measured at fair value.

Financial Liabilities

The Fund's principal financial liabilities are accounts payable.

All financial liabilities are measured at amortised cost, comprising original debt less principal payments and amortisations

1.7 EXPENDITURE

Expenditure is accounted for on the accrual basis of accounting.

1.8 PROVISIONS

Provisions are recognized when the entity has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at reporting date and adjusted to reflect the current best estimate

2 Revenue

	2023/24	2022/23
	R'000	R'000
Interest received	4,241	2,914
Total	4,241	2,914

3 Administrative Expenditure

	2023/24	2022/23
	R'000	R'000
Bank Charges	1	2
Total	1	2

4 Audit Fees

25

32

NOTES TO THE FINANCIAL STATEMENTS OF THE STATE PRESIDENT FUND

for the year ended 31 March 2024

5 Risk Management

5.1 Financial Risk Factors

5.1.1 Market Risk

Market risk is the risk that changes in market prices. Interest rates will affect the State President Fund. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing return. The State President Fund does not manage this risk aggressively as the investments of funds are determined by the Minister of Social Development and the Minister of Finance. Within these parameters, funds are invested with reputable financial institutions.

5.1.2 Credit Risk

Credit risk is the risk of financial loss to the State President Fund if a financial institution to a financial instrument fails to meet its contractual obligations.

The State President Fund exposure to credit risk is influenced only by the individual characteristics of the financial institutions where funds are deposited or invested. Reputable financial institutions are used for investing and cash handling purposes.

Financial Assets	2023/24	2022/23
	R'000	R'000
Cost	49,871	46,991
Additions during the year	4,215	2,880
Closing Balance	54,086	49,871

5.1.3 Liquidity risk

Liquidity risk is the risk that the State President Fund will not be able to meet its financial obligations as they fall due. The State President Fund's approach to managing liquidity is to ensure that investment terms chosen will ensure that it will always have sufficient liquidity to meet its liabilities when due. The State President Fund monitors its cash flow requirements and optimizes its cash return on investments.

Cash and Cash Equivalents	2023/24	2022/23
	R'000	R'000
Investment	54,074	49,862
Cash and Balances with Banks	15	9
Total	54,089	49,871

NOTES TO THE FINANCIAL STATEMENTS OF THE STATE PRESIDENT FUND

for the year ended 31 March 2024

5.1.4 Interest Rate Risk

The State President Fund manages its interest risk by effectively investing surplus funds with different accredited financial institutions. Any movement in interest rate will affect interest income. Interest income is capitalized and will therefore not affect the operations of the State President Fund.

	Change	2023/24	2022/23
		Effective Rate	Effective Rate
Investment	2%	7.84%	5.84%

Interest risk sensitivity analysis	2023/24	2022/23
	R'000	R'000
Investment	54,074	49,862
2% interest fluctuation impact	1,081.48	1,067.05

5.1.5 Foreign exchange risk

The fund does not hedge foreign exchange fluctuations. The fund does not have any foreign account receivables, foreign accounts payables or derivative market instruments.

5.1.6 Price risk

Due to the nature and extent of the fund, there is no exposure to price risks.

6 Cash and Cash Equivalents

	2023/24	2022/23
	R'000	R'000
Cash – Bank Deposits	15	9
Cash – Investment Account	54,074	49,862
Total	54,089	49,871

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.

7 Cash utilized in Operations

	2023/24	2022/23
	R'000	R'000
Surplus before tax	4,215	2,880
(Interest received)	(4,241)	(2,914)
Cash generated from Operations	(26)	(34)

NOTES TO THE FINANCIAL STATEMENTS OF THE STATE PRESIDENT FUND

for the year ended 31 March 2024

8 Net cash inflows/outflows from Operating Activities

	2023/24	2022/23
	R'000	R'000
Cash payments to suppliers and employees	(26)	(34)
Cash generated from/ (utilized in) operations	(26)	(34)
Interest received	4,241	2,914
Net cash inflows/outflows from operating activities	4,215	2,880

9 Events after Balance Sheet Date

None identified to date.

10 Related party transactions

10.1 The Department of Social Development

The executive authority of the State President Fund is the Minister of the Department of Social Development (DSD). Although a related party relationship exists between the DSD and the fund, there were no transactions with DSD.

10.2 Relief Fund Boards

A related party relationship exists between the State President Fund, the Disaster Relief Fund, the Refugee Relief Fund and the Social Relief Fund. There were no transactions between the above-mentioned related parties.

10.3 National Development Agency (NDA)

A related party relationship exists between the State President Fund and the NDA. There were no transactions between the parties.

10.4 South African Social Security Agency (SASSA)

A related party relationship exists between the State President Fund and SASSA. There were no transactions between the parties.

11 Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The fund is in the process of being closed. The Fundraising Amendment Act, No. 11 of 23 was approved by the President on 20 December 2023 and the implementation of the Act requires that finalise subordinate legislation in the form of Regulations to the Fundraising Act as amended. The fund can be closed and consolidated into one Disaster Relief and National Development Fund only after the final proclamation to operationalise the Act has been gazetted.



PART

F

ACRONYMS AND ABBREVIATIONS

ACRONYMS AND ABBREVIATIONS

ACFP	Anti-Corruption and Fraud Prevention
AFS	Annual Financial Statements
AGSA	Auditor- General of South Africa
AIAP	Audit Implementation Action Plan
APP	Annual Performance Plan
BRICS	Brazil-Russia-India-China-South Africa
BUSA	Business South Africa
CBIMS	Community-Based Information Management System
CBO	Community-Based Organisations
CCCs	Community Care Centres
CDA	Central Drug Authority
CDP	Community Development Practitioner
COGTA	Department of Cooperative Governance and Traditional Affairs
COVID-19	Coronavirus Disease
CPO	Child Protection Organisation
CSC	Community Service Centre
CSG	Child Support Grant
CSO	Civil Society Organisation
CYC	Child and Youth Care
DBE	Department of Basic Education
DDG	Deputy Director General
DDM	District Development Model
DHS	Department of Human Settlements
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DSD	Department of Social Development
EC	Eastern Cape
EHW	Employee Health and Wellness
EPWP	Expanded Public Works Programme
FATF	Financial Action Task Force
FBO	Faith-Based Organisation
FIC	Financial Intelligence Centre
FMP	Families Matter Programme
FS	Free State
FSQA	Food Safety & Quality Assurance
G2G	Government to Government
GBV	Gender-Based Violence
GBVCC	Gender-Based Violence Command Centre
GCBS	Government Capacity Building Systems
GEWE	Gender Equality and Women Empowerment
GLAA	General Laws (Anit-Money Laundering and Combating Terrorism Financing) Amendment Act
GP	Gauteng Province
HCM	Human Capital Management
HDI	Historically Disadvantaged Individuals
HR	Human Resource

HSE	Health, Safety and Environmental
HWSETA	Health and Welfare Sector Education and Training Authority
IAU	Internal Audit Unit
IIA	Institute of Internal Audit
ICT	Information and Communication Technology
IMST	Information Management Systems and Technology
ISC	Information Security Committee
ISPPIA	International Standards for the Professional Practice of Internal Auditing
ISS	International Social Services
JCPS	Justice, Crime Prevention and Security
JICA	Japan International Cooperation Agency
KfW	German Development Bank
KZN	KwaZulu-Natal
LCC	Loss Control Committee
LP	Limpopo Province
M&E	Monitoring and Evaluation
MINMEC	Minister and Members of the Executive Committee's Council
MOST	Management of Social Transformation
MoU	Memorandum of Understanding
MP	Mpumalanga
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NACS	Nutritional Assessment Counselling Support
NAPWA	National Association of People Living with HIV and AIDS
NC	Northern Cape
NCCPF	National Child Care Protection Forum
NDA	National Development Agency
NDP	National Development Plan
NEDLAC	National Economic Development and Labour Council
NGO	Non-Government Organisation
NF&NS	National Food and Nutrition Security Plan
NPO	Non-Profit Organisation
NSG	National School of Government
NW	North West
OCSLA	Office of the Chief State Law Advisor
OHS	Occupational Health and Safety
ORC	Office on the Rights of the Child
OVCA	Orphaned and Vulnerable Children, Adolescents and Youth
PAIA	Promotion of Access to Information Act
PFMA	Public Finance Management Act
PHSDSBC	Public Health and Social Development Sectoral Bargaining Council
PMDS	Departmental Performance Management and Development System
PPPFA	Preferential Procurement Policy Framework Act
PSCBC	Public Service Coordinating Bargaining Council
PSETA	Public Service Education and Training Authority
RACAP	Register of Adoptable Children and Prospective Adoptive Parents
RMEC	Risk Management and Ethics Committee

PART C: GOVERNANCE

SACSSP	South African Council for Social Service Professions
SAHRC	South African Human Rights Commission
SALGA	South African Local Government Association
SAPS	South African Police Service
SASSA	South African Social Security Agency
SBC	Social Behaviour Change
SBD	Standard Bidding Document
SCM	Supply Chain Management
SFP	Sector Funding Policy
SHE	Safety, Health, Environment
SHERQ	Safety, Health, Environment, Risk and Quality
SMS	Senior Management Service
SOP	Standard Operating Procedure
SPCHD	Social Protection, Community and Human Development
SRD	Social Relief of Distress
SSP	Social Service Practitioner
SW	Social Worker
SWI	Social Welfare Index
STI	Sexual Transmitted Infection
TB	Tuberculosis
TWG	Technical Working Group
UNFPA	United Nations Population Fund
USMC	Unaccompanied and Separated Migrant Children
UTC	Universal Treatment Curriculum
VSS	Victim Support Service
WC	Western Cape
YOLO	You Only Live Once

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