



**DEPARTMENT OF SOCIAL DEVELOPMENT**



# Annual Report

1 APRIL 2000 • 31 MARCH 2001





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## FOREWORD BY THE MINISTER



At the beginning of the 2000/2001 financial year government committed itself to working together with all partners to accelerate improvements in the delivery of services to all our people. Improvements in the delivery of social development services are vital to fighting poverty and creating a better life for all our people.

As is required by our Constitution and associated legislation, government is also committed to transparent and accountable governance. This Annual Report is an account to citizens of what we have done over the past year to build partnerships with civil society and faith-based organisations. It details the policy and programmatic work we have engaged in to care and support orphaned and vulnerable children. It reports on interventions to address the challenging reality facing the older people – the mothers and fathers of our nation. More broadly it also specifies concrete actions undertaken to improve our social security system. Both in terms of its architecture and processes of implementation, this system has in the past not been equal to the human and social needs in our society – especially with respect to disabled people. This Annual Report also details how our poverty relief and victim empowerment programmes are building the asset base, ensuring food security and providing support for our people – especially women who constitute the majority of the poor people in our society.

In all these respects progress has been made but there is still more work to be done to address the challenges facing families and communities in all parts of our country.

I would like to thank all the individuals, social service professionals, and organisations that have over the years continued to contribute to this effort, both within our own country and on our continent.



In solidarity with all people, especially the most vulnerable, we are building a caring society together.

A handwritten signature in black ink, appearing to read 'ZSK', is positioned above the printed name of the Minister of Social Development.

**DR ZOLA SKWEIYA (MP)**  
**MINISTER OF SOCIAL DEVELOPMENT**



**DEPARTMENT OF SOCIAL DEVELOPMENT**  
**Private Bag X901, Pretoria 0001**

The Hon Dr Zola Skweyiya (MP)  
Minister of Social Development  
Private Bag X855  
PRETORIA  
0001

Dear Minister

I have the pleasure of presenting the Annual Report of the Department of Social Development for the year 1 April 2000 to 31 March 2001.

The Annual Report has been prepared as required by section 40 (1) (d) of the Public Finance Management Act, 1999 and Regulation III J of the Public Service Regulations, 1999 (as amended).

A handwritten signature in black ink, appearing to read 'Angela Bester'.

**ANGELA BESTER**  
**DIRECTOR-GENERAL**





**PART 1**

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**Introduction**

## **DIRECTOR-GENERAL'S OVERVIEW**



Our task as the Department of Social Development, put simply, is to make a positive and sustained difference in the lives of the poor, the vulnerable and excluded in our society. The extent of poverty and inequality combined with the impact of HIV/AIDS make this a daunting challenge. Through hard work and commitment of the officials in the Department and assistance from our partners in the social development sector, we are able to report progress in meeting this challenge.

This is our first Annual Report as the Department of Social Development and we have made a concerted effort to account for our performance and the use of resources, in the transparent manner required by the Public Finance Management Act, 1999 and the Public Service Regulations.

Our work during this year has been guided by the Minister's Ten Point Plan for the social development sector and our strategic plan for 2000-2004. We have identified the following six priority areas for our work, namely:

- Social Security
- HIV/AIDS
- Poverty reduction and integrated development
- Social Integration
- Sectoral Reform
- Transformation of the Department

The priority areas are interrelated and the budget programmes contribute in varying degrees to achievement of the goals in these areas. The Department's transition from "welfare" to "social development" started mid-way through the reporting period and the budget structure therefore does not correlate neatly with these priority areas.

In order to account fully on our activities, the Annual Report is based on the budget structure as voted in Parliament in 2000/2001 and also highlights the Department's performance in the six priority areas.

### **Highlights of 2000•2001**

The environment in which the Department operates is not static and this requires us to be open to new perspectives on issues, to be critical of what we are doing and to develop new responses to issues. The year 2000/2001 required us to work on many different fronts simultaneously and develop new approaches to our work.

One of the most visible changes in approach during the year was the way in which we communicated with communities, roleplayers and the general public. Our communication aimed to provide communities with the information they need to access grants and services provided by the social development sector and to provide them with the space to voice their concerns. The imbizo format, which we believe to be most effective, was central to our communication during the year. With imbizos held in all nine provinces, we managed to communicate directly with poor people in remote rural areas, peri-urban areas and informal settlements. We made extensive use of mainstream and community radio with an estimated coverage of 24 million people and published important brochures in more than one language. We used television and the print media to inform not only the beneficiaries of our programmes, but also the general public about the issues we were dealing with. It was also necessary for us to communicate that our change to social development was more than a change in the name of the Department. We are putting in place the mechanisms to evaluate the impact of our communication strategies, but the informal feedback from various roleplayers suggest that on the whole, our communication has been effective.

We recognised our capacity constraints and the need to consolidate existing partnerships and build new ones. Our major activities during the year were underpinned by working in partnership with many different roleplayers. The Minister's Provincial Visits, National Consultative Process and bi-lateral meetings strengthened existing partnerships and built new ones. Our partnerships with Faith-Based Organisations and the business sector have yielded positive results in the areas of poverty alleviation and HIV/AIDS.

The concurrent functions of the national and provincial departments of social development require more than friendly co-operation and consultation. During the year the Heads of the ten departments were constantly challenged by the need to accommodate the diverse conditions in the different provinces while maintaining coherent national frameworks. We restructured our national-provincial forum of Heads of Social Development into a joint technical body to advise MINMEC. Joint national-provincial responses to issues have become more common. Our debates have been forthright, but our common purpose to serve the poor has guided us to finding joint solutions.

Our work with other departments had to move from collaboration to integration and be aligned with the priorities of the various clusters of Cabinet Committees. We have achieved a degree of success in our partnerships with the Departments of Health, Education, Home Affairs, Justice, the South African Police Service, Provincial and Local Government and the South African Management Development Institute. As we begin implementing the Integrated Sustainable Rural Development Strategy and the Urban Renewal Programme, we expect to deepen the process of integration.

We had to develop practical responses to the plight of children and families affected by HIV/AIDS, while enhancing our understanding of HIV/AIDS and its medium-to-long term social impacts. Recognising that our efforts to establish home-based care projects with our provincial counterparts would be insufficient to meet the demand for care and support, we built upon and supported initiatives from communities and Faith-Based Organisations. This has expanded the coverage of our HIV/AIDS interventions within a short period of time. The Department's research and information programme in the area of HIV/AIDS has been made more relevant to the needs of the Department and its provincial counterparts as well as to other government departments.

Despite its difficulties, we believe that the Poverty Relief Programme provides relief to the poorest of the poor. We therefore had to improve the management of the Poverty Relief Funds to ensure that funds were transferred as quickly as possible to projects, in a responsible manner. This meant deployment of national and provincial officials on the ground to do on-site assessments, the active involvement of Heads of Department in the approval process, the overhaul of administration procedures

and working closely with the Independent Development Trust. The results of our efforts have been positive as by 31 March 2001, 86 percent of funds allocated to projects were transferred to projects. We also looked to the future and developed medium term (3 year) programme for poverty relief with measurable outputs. Our work will be guided by the priorities set by the Integrated Sustainable Rural Development Strategy and the Urban Renewal Programme.

The social assistance/social security programme provides a safety net to over three million beneficiaries and constitutes a significant proportion of government expenditure each year. We are gratified by the results of our efforts to increase the take-up rate of the Child Support Grant as research shows that this grant does benefit poor households. The existing social assistance safety net, however, has limited coverage. The limitation of the Child Support Grant to the age of seven years, the need for social assistance for the unemployed and the impact of HIV/AIDS on the social grant system are but some of the issues being investigated by the Committee of Inquiry into a Comprehensive Social Security System established by the Minister in 2000.

Concurrent with the work of the Committee, we had to improve the efficiency and accessibility of the existing system. For many people, especially the elderly and persons with disabilities, accessing the social security system and the process of receiving their monthly grants have been frustrating and in many instances, an affront to their human dignity. The Department commenced a number of initiatives during the previous year to improve the social security system. We have reviewed progress on these initiatives and changed their sequence to ensure that the initiatives were not running at cross-purposes. By the end of March 2001, we had made substantial progress on a detailed investigation of social security service delivery in the provinces and an infrastructure audit of pension paypoints and welfare service points. The investigation will serve as the basis for reengineering social security and developing national norms and standards for social security. We have also amended the regulations to the Social Security Act, 1992 to remove anomalies, to facilitate the assessment of disability grant applications and to simplify procedures for reviewing the eligibility of beneficiaries.



During the first five years of its existence, the Department developed a number of policies and programmes and introduced new legislation. The year 2000/2001 marked the beginning of our programme of reviews. The Minister's visits to the provinces during the year were essentially a review of service delivery on major programmes in the social development sector and are reported on in some detail in the Annual Report. Both the national and provincial departments have responded to the issues raised by this review, through actions to address immediate problems and through amending policies and legislation. The Ministerial Committee on the Abuse, Neglect and Ill-Treatment of Older Persons is the first comprehensive review of the social conditions of the elderly since 1994. The vivid images of abuse and neglect conveyed in the Committee's report have injected a greater sense of urgency to improve the efficiency of the social security system, to incorporate older persons in our Poverty Relief Programme, to accelerate the process of reform of institutions and to ensure that older persons receive support in caring for their grandchildren orphaned through AIDS-related deaths. The slow pace of sectoral reform has been a major concern and towards the end of 2000/2001, MINMEC conducted a rapid review of the Financing Policy. The rapid review has laid the foundation for a more extensive review in 2001/2002.

The focus of our departmental transformation programme during the year was on improving the financial management of the Department. We were determined to turn the tide on the under-expenditure and ineffective internal controls reported by the Auditor-General in previous years. With the managers in the Department assuming active responsibility to address these shortcomings and with the assistance of the Audit Committee, we have achieved our objective.

There are many other areas of progress highlighted in the Annual Report such as the expansion of the Victim Empowerment Programme, which provides an essential service to abused women and children; the large volume of disaster relief applications we have processed; and the significant increase in the number of organisations we have registered as Non-Profit Organisations.

### **Challenges ahead**

While we are satisfied with the progress we have made over the past year and are clear about our strategic priorities, there is much to be done in the year that lies ahead.

We must accelerate the process of reforming the policies and administration in the area of social security to achieve progressive realisation of the social and economic rights enshrined in the Constitution. The finalisation of the work of the Committee of Inquiry into a Comprehensive Social Security; improving the administration of social security; and minimising litigation will be given priority.

We must scale up our response to HIV/AIDS to mitigate the impacts of the disease, especially on children. The rapid rollout of the Home-Based and Community-Based Care Programme will therefore be essential as will the need to strengthen family and community structures to cope with the impact of HIV/AIDS.

Although we already have a number of poverty relief projects in the nodal points of the Integrated Sustainable Rural Development Strategy, we are faced with the challenge of defining the basket of social development services and how they link with services of other departments, national and provincial. We also need to find ways of involving local government in our work. A similar challenge exists with the Urban Renewal Programme. The Victim Empowerment Programme, which has been our major contribution to the Urban Renewal Programme, should be but one element of the programme. We need to expand our contribution to addressing poverty in informal settlements and townships in urban areas.

The areas of youth and services to persons with disabilities need more attention. Our work in the area of youth has focused on issues of criminality and we need to place greater emphasis on the development of opportunities for the youth. We need a comprehensive programme to address the needs of people with disabilities and simultaneously ensure that issues of disability are integrated in all our programmes. More services and resources must be directed towards people, especially children in rural areas.

There are many challenges to be faced in transforming the social development sector. The levels of poverty and HIV/AIDS are placing increased demands on the services provided by Non-Governmental Organisations and Community-Based Organisations, which are experiencing budgetary constraints. Getting these organisations to redirect their services to rural areas poses a major challenge for the Department and these organisations. Most of the welfare legislation predates 1994

and the amendments made over the years have resulted in fragmentation and inconsistencies in the regulatory framework. We need new legislation that is consistent with the Constitution and international treaties and conventions.

Our internal transformation process must proceed on a number of fronts. The development of middle managers and operational staff are essential for our delivery. Improving our internal communication and co-ordination is necessary for us to respond to the issues that confront us daily. We also need to improve the quality of our expenditure. Monitoring and evaluating the impact of our policies and programmes must become an integral part of our work. We need to improve our information systems to provide the information for monitoring and evaluation. Instilling the values of public service reflected in our mission statement must occupy a central place in our transformation.

There are many people inside and outside the Department who have contributed to our progress. We are indebted to the communities and the elderly who shared, often painful experiences with us. To our colleagues in the provincial departments of social development and our partners in the social development sector, our thanks for the work they have done. We also acknowledge the contributions of the international donors, the Parliamentary Portfolio Committee on Social Development and Audit Committee. My thanks to all the staff and management in the Department for their work, and for persevering under difficult conditions.

Our Minister has reached out to many ordinary people over the past year and gave meaning to "Mobilising for a Caring Society". His unwavering commitment to improving the lives of children and the many people who live in poverty, has instilled in us the determination to succeed. For this we thank him.



**ANGELA BESTER**  
**DIRECTOR-GENERAL**

## **MINISTRY OF SOCIAL DEVELOPMENT**

### **Functions of the Ministry**

The Ministry is responsible for:

- Management of policy advice processes
- Administration of Cabinet Affairs
- Administration of Parliamentary Affairs
- Management of International Liaison, Media and Public Liaison
- Administration and co-ordination of stakeholders
- Provision of secretariat services to governance structures chaired by the Minister, namely, MINMEC, SADC Social Development Ministers and Inter-Ministerial Committees
- Provision of administrative services to the Minister

The following statutory bodies report to the Minister:

- Relief Boards established in terms of the Fund Raising Act, 1978 (as amended)
- Central Drug Authority established in terms of the Prevention and Treatment of Drug Dependency Act, 1992 (as amended)

### **Highlights of 2000•2001**

During 2000/2001, the Ministry placed emphasis on building new partnerships and consolidating existing ones, under the theme of “Mobilising for a Caring Society”, as well as on comprehensive reviews.

#### **Provincial Review and Imbizos**

Between June 2000 and March 2001, the Minister visited the nine provinces to review the delivery of social development services, with emphasis on the Poverty Relief Programme and the social security. The Visits were undertaken against the backdrop of concerns about under-expenditure on the Poverty Relief Programme and reported problems in the payment of social grants. The Visits were also a continuation and deepening of the National Consultative Process initiated by the Minister in 1999, to provide a platform for direct engagement with the broad spectrum of role players including people living in poverty.

The Minister, joined by his provincial counterparts and officials of the National and Provincial Departments of Social Development, visited over 100 poverty relief projects, pension pay points, community-based HIV/AIDS projects and social welfare institutions. The Minister also met with communities, local government representatives, traditional leaders and local business people. The Visits covered remote rural areas, country towns, urban areas and informal settlements, thus providing diversity in the settings in which services are delivered.

The Minister found that communities, rural and urban, are making a concerted effort to use the limited resources at their disposal to change the conditions of poverty, which confront them on a daily basis. The creativity and resilience of these communities are indeed admirable, as is the role being played by civil society, especially Faith-Based Organisations in supporting those in need.

The conditions of grinding poverty and its related ills continue to place a severe strain on communities and their capacity to respond is stretched to the limit. There are problems and blockages in service delivery, which must be addressed with speed and intensity if the quality of life of people living in poverty is to be improved in a sustainable manner. The nature and extent of service delivery problems vary from province to province, as do the challenges faced by the Provincial Departments of Social Development. The common themes that emerged from the Provincial Visits were:

- Unemployment, especially amongst the youth was a concern voiced consistently by communities. Increasing levels of crime and violence towards women, children and the elderly were seen as consequences of unemployment.
- The inadequate infrastructure - lack of access to clean water, electricity and transport; poor infrastructure at pension pay points; and poor infrastructure at government offices continue to plague the delivery of social services.
- The scale and rate at which the National and Provincial Departments of Social Development are responding to the needs of children and families infected and affected by HIV/AIDS is inadequate to meet the demand. Communities and Faith-Based Organisations have taken the initiative to respond to children and families in need of care and support.

- The social security system continues to be beset with many problems, including poor service delivery at pension pay points; lengthy delays in processing grant applications; lack of information to beneficiaries; problems with accessing grants; concerns about fraud and corruption; hardships exacerbated by delays in obtaining identity documents and unprocedural de-registration of beneficiaries.
- Whilst the emerging picture on the Poverty Relief Programme is encouraging, the lack of infrastructure and capacity constraints hamper the sustainability of poverty relief projects.
- The pace of transformation of welfare services provided by Non-Governmental Organisations is slow. Service delivery in rural areas and to historically disadvantaged groups is generally of lower quality than service delivery in urban areas to historically advantaged groups.
- The Provincial Departments of Social Development operate within serious financial resource constraints, the budget for social assistance in many instances cannot fund all eligible beneficiaries. Human resource capacity constraints are evident in most of the Provincial Departments, with skills shortages in critical areas of programme planning and management, development work, and responding to HIV/AIDS.

The National and Provincial Departments of Social Development have responded to the concerns and issues raised during the Provincial Visits. Individual problems with grant payments were followed up and corrective action was taken. Policies and programmes were also reviewed to address the blockages to service delivery. The areas prioritised for improvement include:

- Scaling up the social development response to HIV/AIDS, with emphasis on orphans and vulnerable children.
- Addressing resource constraints at the provincial level is essential. This includes the issue of under-budgeting of the social development function, infrastructure and human resource constraints.

- Building institutional capacity of communities and volunteers.
- Involvement of local government in social development programmes.
- Improving communication and information, especially to beneficiaries of social development programmes.
- Strengthening monitoring and evaluation of social development programmes.

The Provincial Visits represent another important milestone in the implementation of the Ten Point Plan, aiming to mobilise a broad range of roleplayers, not least, the poor themselves. The Visits provided people in communities with the opportunity to interact directly with Government and to share their experiences and concerns about Government's programmes. The people in the areas visited, including the local leadership had the benefit of hearing firsthand from the Minister, about Government's programmes and views on issues. The value of such direct information sharing cannot be over-emphasised and is in keeping with the Imbizo programme of Government. A detailed report on the Minister's Visits has been drafted for publication.

### **National Consultative Process**

The Minister's programme of consultation for the year was concluded with the National Consultative Process in March 2001. The event, now scheduled as an annual one, was attended by over 250 stakeholders, which included:

- Community-Based Organizations
- Faith-Based organizations
- Non-Governmental Organisation
- International Donor community
- Business sector
- Tertiary institutions

The Minister and his provincial counterparts reported on progress with the implementation of the Ten Point Plan. Presentations were made by Community-Based Organisations on community-based programmes for people infected and

affected by HIV/AIDS and on poverty alleviation programmes. The Minister also shared his observations from his provincial visits and called on stakeholders to continue with the partnerships that had been established during the year. The MECs for Social Development have committed to holding similar consultative processes in their provinces during the forthcoming year.

### **Ministerial Committee on the Abuse, Neglect and Ill-Treatment of Older Persons**

In March 2000, the Minister appointed the Committee to investigate the nature and extent of abuse, neglect and ill-treatment of the elderly and to make recommendations to address the problems identified. The Ministerial Committee, chaired by Mr Tom Manthata of the South African Human Rights Commission, commenced work in April 2000 and tabled its comprehensive report to Cabinet in February 2001. The Committee's extensive investigation revealed an alarming level of abuse, neglect and ill treatment of the elderly by families, institutions and government services. Cabinet adopted the recommendations of the Committee and implementation of these recommendations is in progress.

The main recommendations of the Committee include:

- Significant improvements to the social assistance service delivery to older persons
- Action to accelerate the transformation of residential homes for older persons
- Increasing support for community-based care and non-residential services to older persons
- Introduction of new legislation that complies with the Constitution and with the international conventions on the rights of older persons

The report of the Committee is available from the Department's website:  
[www.welfare.gov.za](http://www.welfare.gov.za).

### **Committee on a Comprehensive Social Security**

In May 2000, the Committee of Inquiry was established to investigate and present options to Cabinet for a comprehensive and affordable system of social protection for South Africa. In addition to considering the gaps in coverage of the existing system of social assistance, the Committee is tasked to consider other forms of protection



provided by Government in the area of health, labour and transport. The Committee, chaired by Prof Vivienne Taylor, Special Adviser to the Minister, reports to a sub-committee of Cabinet Ministers, which includes the Minister of Social Development (Convener), the Minister of Finance, the Minister of Labour, the Minister of Health and the Minister of Transport. During 2000, the Committee conducted extensive research, which included benchmarking against systems in other countries and also held public hearings. The first comprehensive report of the Committee will be submitted to Cabinet during 2001/2002.

### **UN Commission on Social Development**

The Minister of Social Development was appointed as Chairperson of the UN Commission on Social Development for the period February 2000 to February 2001. During his tenure, the Minister chaired the Preparatory Committee Meetings in the lead up to the UN General Assembly Special Session on progress with the implementation of the recommendations of the World Summit on Social Development (Copenhagen Declaration of 1995). The Deputy President, Mr Jacob Zuma, led the delegation to the UN General Assembly Session in Geneva in June 2000. The Department was responsible for co-ordinating the publication of the Country Report submitted at the UN General Assembly. The Minister of Social Development was responsible for convening a committee of his SADC counterparts to present the SADC Position on the Copenhagen Declaration.

### **Session with international UN experts on Social Security**

In November 2000, the Minister hosted a group of international experts to discuss and share experiences on social security. The group of experts was drawn from Ghana, Tanzania, Zimbabwe, Egypt, Chile, Peru, India, Bangladesh, Jamaica, the UN Social Analysis and Policy Unit, the World Bank and the International Labour Organisation (ILO). The theme of the session was "Coping in dire circumstances: Traditional and modern schemes of social protection in the context of social development". The session, which was followed by a multilateral workshop with the Committee of Inquiry into a Comprehensive Social Security, provided a valuable opportunity for engagement on social protection models and the extent of their applicability to the South African context.

### **Angola People-To-People Solidarity Appeal**

Cabinet decided in September 1999, that the campaign to build people to people solidarity with Angola be co-ordinated by the Minister of Social Development. The Departments of Transport, Foreign Affairs, GCIS, Public Service and Administration, Health, the SAPS, the SANDF as well as civil society, the business sector, the Faith-Based Organisations, the provinces, the media, communities, UNHCR, UNICEF and the Angolan public resident in South Africa, were mobilised to participate in the campaign.

A two week media campaign from May 15-May 30, 2000 was undertaken that included an appeal by the Minister for public support. Various solidarity activities both in government as well as the public at large were organised.

The Angola Appeal Fund raised more than R 230 000 in cash donations which were channelled by the public through the ABSA Bank. Tons of food, clothing and shoes including those donated for people with disabilities, were also sent to Angola.

### **Central Drug Authority**

The Members of the Central Drug Authority (CDA) were appointed by the Minister of Social Development, on the recommendation of the Portfolio Committee for Social Development. The CDA held its first meeting on 1 September 2000.

CDA Members were appointed from the following structures:

- Five drug experts from Research Councils and Universities
- Five drug experts from Non-Governmental Organisations
- One member from the National Youth Commission
- One member from Business Against Crime
- One member representing trade unions
- One member each from the Departments of Justice, Health, Education, Social Development, Trade and Industry, Labour, Foreign Affairs, Correctional Services, Safety and Security, Home Affairs and the National Intelligence Agency.

The CDA is responsible for co-ordinating and monitoring the implementation of the National Drug Master Plan and is required to report annually to Parliament on progress with its mandate.

### **Bills submitted to Parliament**

The Developmental Welfare Governance Bill was submitted to Parliament. The Portfolio Committee on Social Development effected amendments to the Bill to reflect the name change of the Department and its shift in approach. The revised Bill, the Advisory Board on Social Development, was approved by the National Assembly in March 2001.

### **International travel**

<b>Dates of Visit Abroad</b>	<b>Country Visited</b>	<b>Purpose of Visit</b>
3rd to 7th April 2000	New York, United States of America	Chair Preparatory Meeting of Commission on Social Development for the Special Session of the UN General Assembly on the Implementation of the Outcome of the World Summit for Social Development to be held in Geneva in June 2000.
26th to 30th June 2000	Geneva, Switzerland	UN General Assembly Special Session to Evaluate the outcome and implementation of the World Summit for Social Development held in Copenhagen in 1995 and to consider new initiatives.
17th to 23rd September 2000	Ukraine, Czech Republic and Bulgaria	Member of Ministerial Delegation accompanying the Deputy President on an official visit to Eastern and Central Europe.

25th to 29th September 2000	Germany	The Friedrich Ebert Stiftung invited the Minister and delegation to share experiences with the reforms of the social security system currently under way in Germany and South Africa.
10th to 16th December 2000	Palermo, Sicily	Accompanied the Minister of Justice and Constitutional Development to the signing ceremony on the UN Convention Against Transnational Organised Crime and the Symposium on "The Rule of Law and Global Crime. Issues of Sovereignty and Universality".
25th to 29th January 2001	Chile	Follow-up exchange visit of Minister in the Office of the Presidency. The visit included an appraisal of social development programmes, inter alia, youth development, land reform, primary health care, poverty alleviation, food security and unemployment programme. The delegation included senior officials of the Departments of Agriculture and Land Affairs.
10th to 13th February 2001	New York, United States of America	Completion of term as Chairperson of the UN Commission on Social Development.

## **MISSION STATEMENT**

### **Our mission**

To enable the poor, the vulnerable and the excluded people in South African society to secure a better life for themselves, in partnership with them and with all those who are committed to building a caring society.

### **Our values**

- The people we serve come first in performing our duties.
- We will ensure equity and freedom from discrimination and harassment in the workplace and in the services provided by our department.
- We will work in partnership with the people we serve and with other stakeholders.
- We will use the resources entrusted to us, to deliver on the Government's priorities in the most efficient, effective and innovative ways.
- We will be transparent and accountable for our decisions, actions and performance.
- We will share our knowledge and expertise with other departments and the broader social development sector and learn from them.
- In performing our duties, we will uphold the Constitution of the South Africa, the laws governing the Public Service and the Code of Conduct for the Public Service.

## Legislative Mandate

The following welfare specific legislation provide the Department with its mandate:

- Adoption Matters Amendment Act, 1998
- Aged Persons Act, 1961 (as amended)
- Aged Persons Amendment Act, 1998
- Child Care Act, 1983 (as amended)
- Drug Master Plan, 1998
- Fund Raising Act, 1978 (as amended)
- National Welfare Act, 1978 (as amended)
- Non-Profit Organisations Act, 1997
- Prevention and Treatment of Drug Dependency Act, 1992 (as amended)
- Probation Services Act, 1991 (as amended)
- Social Assistance Act, 1992 (as amended)
- Social Work Act, 1978 (as amended)
- Welfare Laws Amendment Act, 1996

Section 27 (1) (c) of the Constitution provides for the right of access to appropriate social assistance to those unable to support themselves and their dependants. Section 28 (1) of the Constitution enshrines the rights of children with regard to appropriate care; basic nutrition, shelter, health care services and social services; and detention.

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

## Why we called the Department of Social Development

In July 2000, the President approved the name change of the department from the Department of Welfare to the Department of Social Development. Why this change?

### Because of our Commitment to Social Transformation

We are committed to the agenda of social transformation that is 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 the 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 on-going 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 '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.







PART 2

**Functions, Planning and  
Organisation**

## Functions of the Department

The functions of the Department of Social Development are to:

- (a) Support the Minister in the determination of policy and legislation relating to the social development portfolio, with particular reference to:
  - delivery of social assistance (social security);
  - transformation of welfare services;
  - provision of services to vulnerable groups, namely, women, children, youth, older persons and persons with disabilities;
  - poverty alleviation and poverty eradication;
  - responding to HIV/AIDS;
  - issues of population and development; and
  - registration and monitoring of Non-Profit Organisations
- (b) Establish and support a solid basis for co-operative governance with provinces in order to monitor compliance with national policy.
- (c) Providing a corporate support service.
- (d) Providing parliamentary/ministerial liaison service.
- (e) Providing a communication and public relations service.
- (f) Supporting the Minister in international collaboration initiatives.
- (g) Publication of reports on the work of the Department, including the Annual Report.
- (h) Providing the Minister with information to discharge his functions in respect of the Budget Vote, Parliamentary questions and other matters pertaining to the Department.

## Priority Areas and Goals of the Department

The Department identified the following Priority Areas and Goals for the period 2000/2001 to 2003/2004.

Priority Areas	Goals
1. SOCIAL SECURITY	<ul style="list-style-type: none"> <li>• Provide an affordable, accessible, comprehensive social security system that prioritises the most vulnerable households</li> <li>• Improve the coverage and delivery of current social assistance benefits</li> <li>• Improve the efficiency and integrity of the social security system</li> </ul>
2. HIV/AIDS	<ul style="list-style-type: none"> <li>• Mitigate the social and economic impacts of HIV/AIDS on vulnerable groups</li> <li>• Contribute to reducing the prevalence of HIV/AIDS amongst vulnerable groups (women, youth and children)</li> <li>• Develop sound policies and programmes on HIV/AIDS through research and use of information on population and development.</li> </ul>
3. POVERTY REDUCTION AND INTEGRATED DEVELOPMENT	<ul style="list-style-type: none"> <li>• Contribute to reduction in levels of abject poverty in the poorest communities in the country</li> <li>• Contribute to development and implementation of national integrated plan on food security for children 0-18 years</li> <li>• Develop sound policies and programmes on social integration through research and use of information on population and development</li> </ul>

#### 4. SOCIAL INTEGRATION

- Promote and protect rights of the poor, women, children, youth, older persons and persons with disabilities
- Ensure integrated services to women, children, youth, older persons and persons with disabilities
- Develop sound policies and programmes on social integration through research and use of information on population and development

#### 5. SECTORAL REFORM

- Eliminate racial and geographic discrimination in distribution of resources and service delivery in the social development sector
- Enhance the capacity of the national and provincial departments to respond to the social development challenges
- Enhance governance and co-operative governance in the social development sector

#### 6. TRANSFORMATION OF DEPARTMENT

- Transform the structure, systems, human resources and organizational culture to improve service delivery

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The outputs and service delivery indicators are discussed in Part 3 of the Annual Report: Programme Performance.

The Priority Areas and Goals reflect the Ten Point Plan announced by the Minister of Social Development in January 2000. The Ten Point Plan identifies the priorities to be addressed over the five-year period by the Department in partnership with all roleplayers in Social Development Sector:

- Restoring the ethics of care and human development in all welfare programmes. This includes the rebuilding of families and communities.
- Developing and implementing an integrated poverty eradication strategy that provides direct benefits for those who are in need, within a sustainable development approach.
- Developing a comprehensive social security system that links contributory and non-contributory schemes and prioritises the most vulnerable households.
- Responding to the brutal effects of all forms of violence against women and children, including strategies to deal with perpetrators.
- Providing a range of services to support community-based care and support for people living with Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS) as well as those affected, such as AIDS orphans.
- Developing a national strategy to reduce youth criminality and unemployment within the framework of the National Crime Prevention Strategy.
- Making social welfare services accessible and available to people in rural, peri-urban and informal settlements, as well as ensuring equity in service provision.
- Basing welfare work on a commitment to co-operative governance that includes working with different spheres of government and civil society.
- Training, educating, redeploying and employing a new category of workers in social development.

## Organisation

The organisation structure was reviewed during the reporting period, following an Organisation Analysis and Skills Audit of the Department. A new structure was adopted, with effect from 1 April 2001. The restructuring is intended to address the following issues:

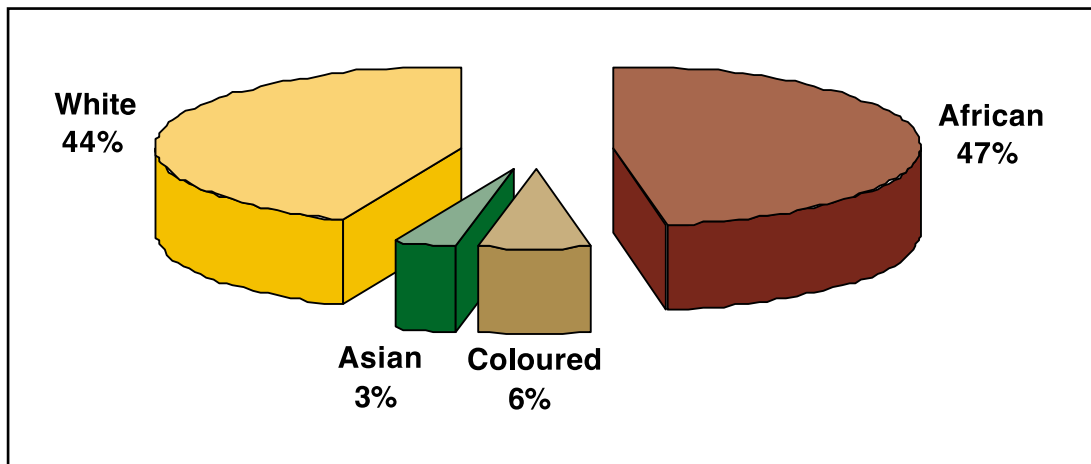
- The alignment of the structure with the Ten Point Plan. In particular, there is a need for a structure that fosters co-ordination and integration.
- Repositioning the department from welfare to social development.
- Creating a realistic structure within the MTEF allocation, thereby eliminating the problem of a high number of unfunded vacancies.
- Strengthening the core business functions of the Department, the Office of the Minister and the Office of the Director-General.
- Strengthening research, monitoring and evaluation capacity within the Department.
- Positioning the Department to provide a more effective implementation support service to the Provincial Departments.
- Positioning the Department to meet the requirements of the Public Finance Management Act and the Public Service Regulatory Framework.

Detailed information on human resources, as required by Regulation J of Part III of the Public Service Regulations, 1999, is contained in the Appendix of this Annual Report. During the year under review, the Department operated with an approved establishment of 306 posts, of which 243 were filled.

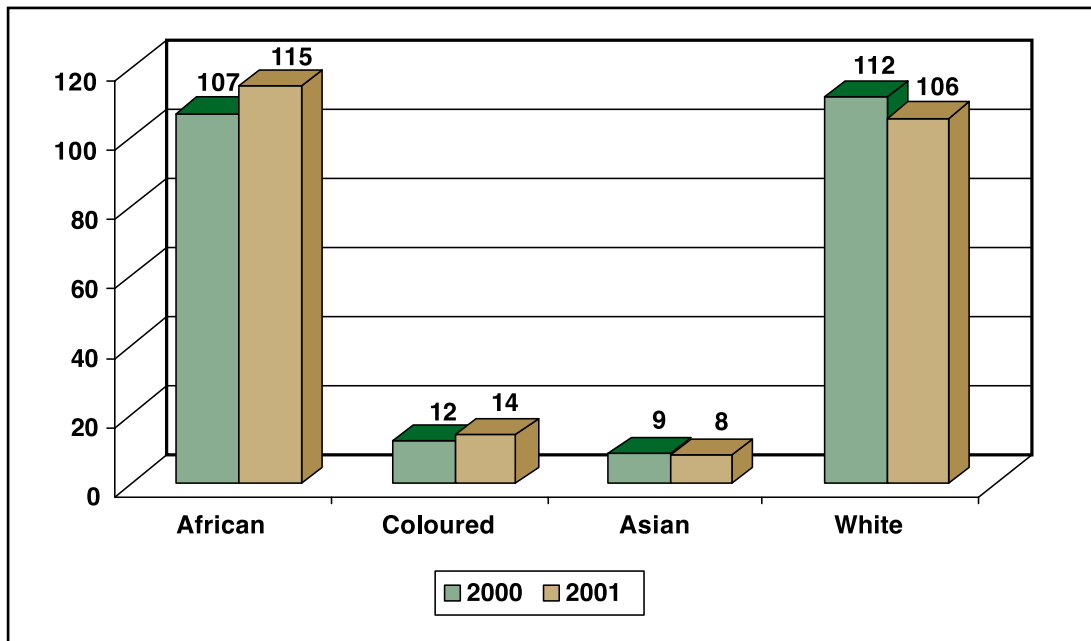
The charts show the representation of employees according to population group, gender and salary level. There was a small increase in the proportion of African employees, from 45 percent in April 2000 to 47 percent in March 2001. There was

a small decrease in the proportion of White employees from 46 percent in April 2000 to 44 percent in March 2001. The majority of employees (67 percent) are women and 29 percent of all employees are African women.

**Figure 1. Employees by Population Group (March 2001)**

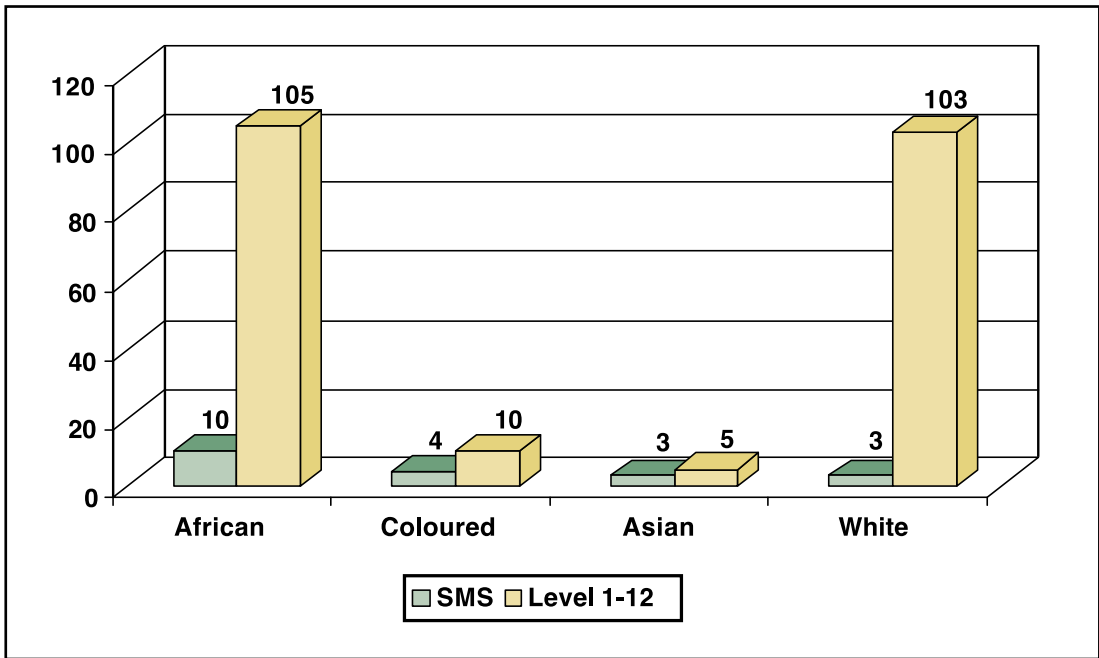


**Figure 2. Employees by Population Group**

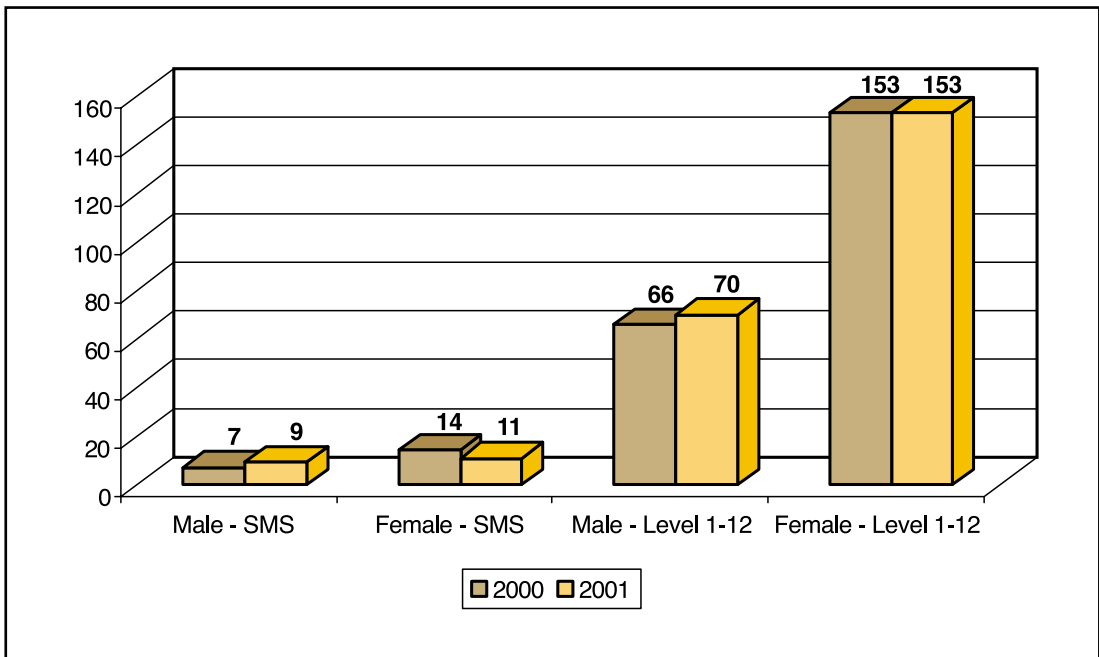




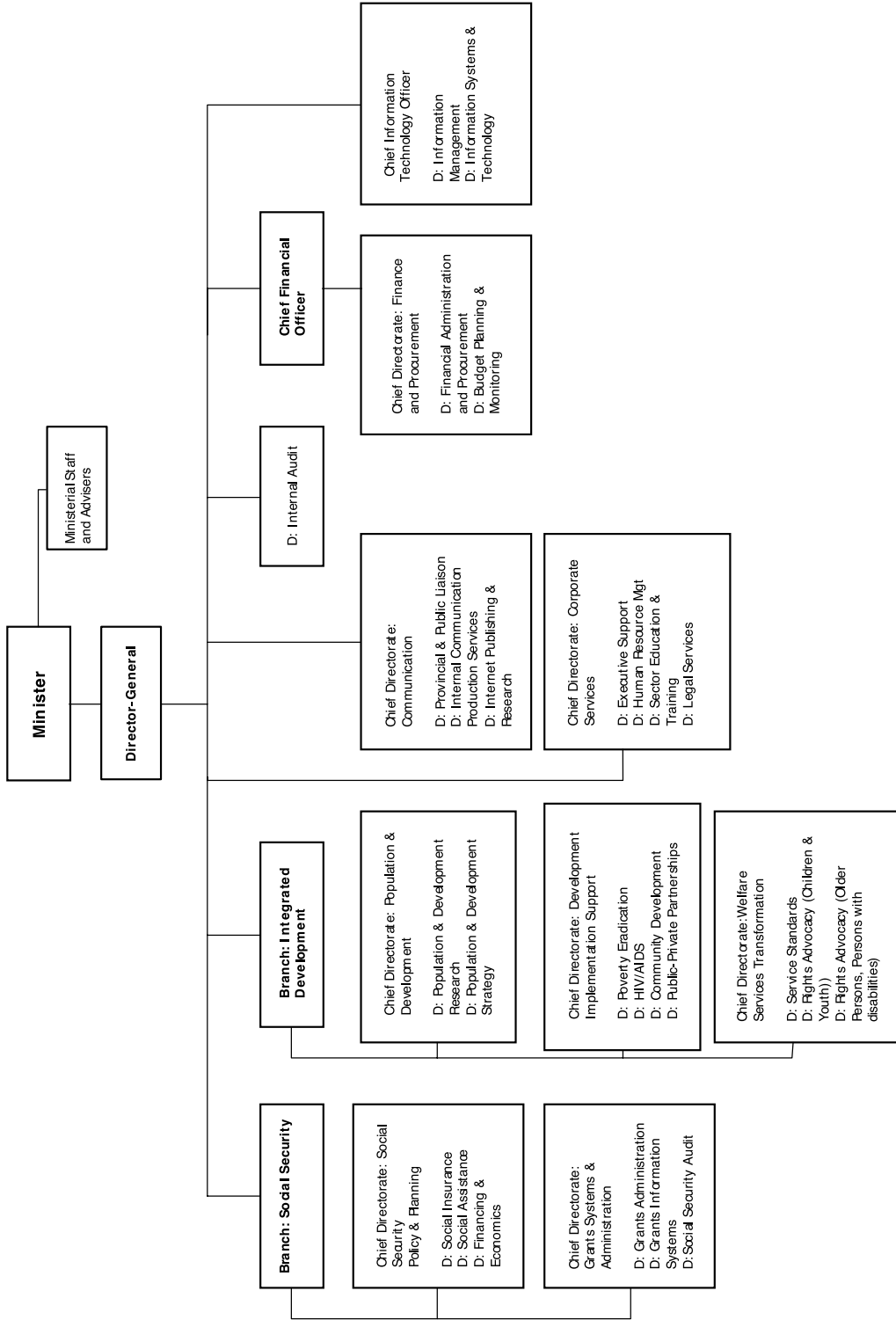
**Figure 3. Employees: Population Group by Salary Level (March 2001)**



**Figure 4. Gender by Salary Level**



**Department of Social Development**







PART 3

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## Programme Performance

## **AIM OF THE VOTE**

*The aim of the Department of Social Development is to facilitate sustainable human development through the provision of social grants, welfare services and development programmes in a global and human rights context.*

## **STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS**

The Department of Social Development is responsible for the development of national policies and legislation; the development of national norms and standards; providing implementation support to the Provincial Departments of Social Development; and monitoring and evaluating the range of social development programmes.

Between 1994 and 1999, the Department focused on policy and legislative amendments to align these with the 1996 White Paper on Social Welfare; embarked on initiatives to improve service delivery and piloted developmental approaches. By late 1999, it became evident that the Department required a different approach to its work. Increasing levels of poverty and inequality and the HIV/AIDS pandemic demanded a collective vision that is more responsive to the structural causes of problems, as well as their social manifestations.

Following an intensive process of consultation with a broad range of stakeholders, the Minister of Social Development in January 2000, launched the Ten Point Plan outlined in Part 2 of this Annual Report.

The focus of the Department for the year 2000/2001 was to give practical effect to the Ten Point Plan. This meant reviewing existing policies, programmes and service delivery. These reviews took various forms and included the following:

- Minister's Provincial Reviews and Imbizos
- Ministerial Committee on the Abuse, Neglect and Ill-Treatment of Older Persons
- MINMEC Task Team on Review of the Financing Policy
- Joint National-Provincial Task Team on Review of Social Assistance Regulations

- Review of social security service delivery to develop national norms and standards
- Mid-Term Review of the Poverty Relief Programme

The results of these reviews are discussed in the relevant sections of the Annual Report.

## **KEY PROGRAMMES AND ACHIEVEMENTS**

The Ten Point Plan was announced well after the completion of the 2000/2001 budget and the National Expenditure Survey 2000. It was necessary for the Department to re-prioritise its activities to reflect the Ten Point Plan. As a result, the outputs discussed in this Annual Report are not identical in all respects to the outputs published in the National Expenditure Survey. For the purpose of this Annual Report, the Department will be reporting according to the structure of the budget as voted by Parliament.

**Performance at a Glance**

PRIORITY AREAS	1. SOCIAL SECURITY	2. HIV/AIDS	3. POVERTY REDUCTION AND INTEGRATED DEVELOPMENT
<p><b>MEDIUM TERM GOALS</b></p> <ul style="list-style-type: none"> <li>• Provide an affordable, comprehensive social security system that prioritises the most vulnerable households</li> <li>• Improve the coverage and delivery of current social assistance benefits</li> <li>• Improve the efficiency and integrity of the social security system</li> </ul>	<ul style="list-style-type: none"> <li>• Mitigate the social and economic impacts of HIV/AIDS on vulnerable groups</li> <li>• Develop sound policies and programmes on HIV/AIDS through research and use of information on population and development</li> </ul>	<ul style="list-style-type: none"> <li>• Contribute to reduction in levels of abject poverty in the poorest communities in the country</li> <li>• Develop sound policies and programmes on poverty reduction through research and use of information on population and development</li> </ul>	<ul style="list-style-type: none"> <li>• Management of Poverty Relief Programme for national department and 9 provincial departments, including assessment of provincial business plans, and project business plans</li> <li>• Monitoring and evaluation at programme and project level</li> <li>• Published first State of SA Population Report</li> <li>• Provision of population information and technical assistance to government departments, NGOs and academic institutions</li> <li>• Annual assessment of implementation of Population Policy</li> <li>• Co-ordinated and drafted country report for UN Special Session on Copenhagen Declaration</li> </ul>
<p><b>OUTPUTS DELIVERED IN 2000•2001</b></p> <ul style="list-style-type: none"> <li>• Established and funded Committee of Inquiry into Comprehensive Social Security</li> <li>• Financial and technical support to provinces to improve take up rate of Child Support Grant</li> <li>• Review of social security administration</li> <li>• Review of Social Assistance Regulations</li> <li>• Audit of re-registration process</li> <li>• Research on the impact of the CSG and phasing out of State Maintenance Grants</li> <li>• Declared 9 disasters covering 65 areas</li> <li>• Processed 110 907 disaster relief applications and approved payment to value of R49 220 950</li> </ul>	<ul style="list-style-type: none"> <li>• National Integrated Plan for Children Infected and Affected by HIV/AIDS</li> <li>• Home-Based/Community-Based Care model for HIV/AIDS</li> <li>• Sites in 6 provinces for implementation of Home-Based/Community-Based Care</li> <li>• Funding and support for Home-Based and Community -Based Care</li> <li>• Developed curriculum on HIV/AIDS for government planners</li> <li>• Research studies and information on HIV/AIDS</li> </ul>	<ul style="list-style-type: none"> <li>• National Integrated Plan for Children Infected and Affected by HIV/AIDS</li> <li>• Home-Based/Community-Based Care model for HIV/AIDS</li> <li>• Sites in 6 provinces for implementation of Home-Based/Community-Based Care</li> <li>• Funding and support for Home-Based and Community -Based Care</li> <li>• Developed curriculum on HIV/AIDS for government planners</li> <li>• Research studies and information on HIV/AIDS</li> </ul>	<ul style="list-style-type: none"> <li>• National Integrated Plan for Children Infected and Affected by HIV/AIDS</li> <li>• Home-Based/Community-Based Care model for HIV/AIDS</li> <li>• Sites in 6 provinces for implementation of Home-Based/Community-Based Care</li> <li>• Funding and support for Home-Based and Community -Based Care</li> <li>• Developed curriculum on HIV/AIDS for government planners</li> <li>• Research studies and information on HIV/AIDS</li> </ul>

PRIORITY AREAS	1. SOCIAL SECURITY	2. HIV/AIDS	3. POVERTY REDUCTION AND INTEGRATED DEVELOPMENT
<b>ACHIEVEMENTS</b>	<ul style="list-style-type: none"> <li>• Increased take-up rate of CSG from 311 797 at end March 2000 to 1 129 672 by March 2001</li> <li>• Amendments to Social Assistance Act regulations to remove anomalies</li> <li>• Significant progress made on reengineering to improve efficiency of the social security system</li> <li>• Significant reduction in the backlog of disaster relief payments</li> </ul>	<ul style="list-style-type: none"> <li>• Integrating all HIV/AIDS initiatives in the Department into an overall framework and making explicit linkages between HIV/AIDS programme and Poverty Relief Programme</li> <li>• Transferred R9 730 079 to HIV/AIDS community-based projects managed by national Department</li> </ul>	<ul style="list-style-type: none"> <li>• Improved efficiency and effectiveness of disbursement of Poverty Relief Funds</li> <li>• 2868 poverty relief projects have been funded over the period 1998/1999 to 2000/2001</li> <li>• 86% of funds allocated for projects have been paid to projects</li> <li>• Completed a comprehensive Mid-Term Review of Poverty Relief Programme</li> <li>• State of SA Population Report</li> </ul>



PRIORITY AREAS	4. SOCIAL INTEGRATION	5. SECTORAL REFORM	6. TRANSFORMATION OF DEPARTMENT
<p><b>MEDIUM TERM GOALS</b></p> <ul style="list-style-type: none"> <li>• Promote and protect rights of the poor, women, children, youth, older persons and persons with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Eliminate racial and geographic discrimination in distribution of resources and service delivery in the sector</li> <li>• Enhance governance and co-operative governance in the social development sector</li> </ul>	<ul style="list-style-type: none"> <li>• Minister's Provincial Visits and Imbizos</li> <li>• National Consultative Workshop in March 2001</li> <li>• Social Development Advisory Board Act</li> <li>• Review of the Financing Policy</li> <li>• HRD Strategy for Social Development Sector</li> <li>• 4207 organisations registered under NPO Act</li> <li>• Financial assistance to National Councils</li> <li>• Review of curriculum for social work</li> <li>• Evaluation of training for middle and senior managers in national and provincial departments</li> <li>• Completed implementation of pilot programme for re-orientation of social workers</li> </ul>	<ul style="list-style-type: none"> <li>• Transform the structure, systems, human resources and organizational culture to improve service delivery</li> </ul>
<p><b>OUTPUTS DELIVERED IN 2000•2001</b></p>	<ul style="list-style-type: none"> <li>• Established and supported Ministerial Committee on the Abuse, Neglect and Ill-Treatment of Older Persons</li> <li>• Draft policy and legislation on Status of Older Persons</li> <li>• Amendment of Social Assistance Regulations to improve access to disability grants</li> <li>• Domestic Violence Resource Directory for use at police stations, courts and welfare offices</li> <li>• Trained 225 social workers and lay counsellors in domestic violence procedures</li> <li>• Trained 1000 child and youth care workers and 400 probation officers and assistance probation officers</li> <li>• 100 Victim Empowerment Projects operating nationally</li> <li>• Established Central Drug Authority</li> </ul>	<ul style="list-style-type: none"> <li>• New Performance Management System</li> <li>• Employment Equity Plan completed</li> <li>• Human resource policies and procedures developed consistent with Public Service Regulatory Framework</li> <li>• Implementation Plan for PFMA to improve financial management and probity in the Department</li> <li>• Information systems to support work (Child Protection Register, NPO register, Disaster Relief Fund system)</li> <li>• Communication campaigns, briefings, reports to inform beneficiaries, stakeholders and public</li> </ul>	

PRIORITY AREAS	4. SOCIAL INTEGRATION	5. SECTORAL REFORM	6. TRANSFORMATION OF DEPARTMENT
<b>ACHIEVEMENTS</b>	<ul style="list-style-type: none"> <li>• Report and recommendations of Ministerial Committee adopted by Cabinet</li> <li>• Victim Empowerment Projects reach 2500 victims per month</li> <li>• Women's Flagship projects are operating in all provinces</li> <li>• Extensive training programmes to improve skills of social service professionals</li> <li>• Central Drug Authority commenced operation</li> </ul>	<ul style="list-style-type: none"> <li>• Institutionalised the National Consultative Process</li> <li>• Strengthened partnerships with Faith-Based Organisations, Community-Based Organisations and the business sector</li> <li>• Adoption of Social Development Advisory Board legislation by Parliament</li> <li>• 88% increase in number of registrations under NPO Act</li> </ul>	<ul style="list-style-type: none"> <li>• Repositioning of department from "welfare" to "social development"</li> <li>• Communities, Parliament and public are better informed of the work of the Department</li> <li>• Improved expenditure to 99% of budget allocation, compared to 15% and 76% in the two previous financial years, respectively</li> </ul>

## **PROGRAMME 1 : ADMINISTRATION**

### **1.1 Aim**

To conduct the overall management of the Department

### **1.2 Policy developments**

Programme 1 includes:

- Functions of the Minister and Ministry
- Management functions of the Director-General and Deputy Directors-General
- Human Resource services
- Finance and Procurement Services
- Internal Audit
- Legal Services

During the year 2000/2001, the Department placed emphasis on improving its internal management and administration, especially in the area of finance.

- The Department achieved a significant reduction in the under-expenditure of its budget. By the close of the financial year, the Department had spent 99.7 percent of its budget. This is in stark contrast to the 85 percent under-expenditure and 24 percent under-expenditure of 1998/99 and 1999/2000, respectively.
- The Department has made good progress with the implementation of the Public Finance Management Act, 1999. The reconciliation of accounts has improved and outstanding queries from the Auditor-General have been cleared. Fifty-one officials were trained in the Public Finance Management Act and financial delegations are in place. The Department has an active Audit Committee, which has met six times during the year and has monitored the Department's response to issues raised by the Auditor-General's Report for 1998/99.

- A new structure was developed for the Department to align with the priorities set out in the Ten Point Plan, to take effect from 1 April 2001. The new structure also made provision for strengthening internal control through the establishment of a Directorate: Internal Audit and an Internal Control Unit.
- The Legal Services Division as a Directorate came into being during April 2000. The Directorate was established to respond to the proliferation of litigation, to manage a comprehensive programme of legislative reform and to advise the Department on legal contracts. The Directorate is also required to provide assistance to Provincial Departments of Social Development in litigation, to ensure national uniformity of approach.
- The Department developed a new Performance Management Development System for staff below the Director level. The new system, which comes into effect from 1 April 2001, introduces a structured system of work plans linked to the business plans of components, quarterly reviews of performance and training and development plans. Managers and staff have been trained in using the new system as well as the computerised formats.
- In the area of human resources, a number of internal policies were completed and consulted with the Departmental Bargaining Council.
- The Department developed an Employment Equity Plan, which was submitted to the Department of Labour on 1 June 2000, as required by law.

### 1.3 Outputs and service delivery trends

<b>Ministry</b> (refer also to section reporting on the functions and highlights of the Ministry)		
<b>Outputs</b>	<b>Service Delivery Indicators</b>	<b>Actual Performance</b>
Cabinet and Parliamentary services	All Parliamentary questions responded to by close of session.  Cabinet memoranda submitted as required	<ul style="list-style-type: none"> <li>• 84 questions dealt with in Year 2000 Parliamentary Session and no replies were outstanding at close of Parliamentary session</li> <li>• 10 Cabinet memoranda submitted</li> </ul>
Media and International Liaison	Media briefings and media releases as required	<ul style="list-style-type: none"> <li>• 32 media briefings and media conferences</li> <li>• Average of 2 media releases were made per week</li> <li>• One interview with Minister per month with radio and/or television</li> <li>• Support for 7 international visits by Minister: previsit preparations and during visits</li> </ul>
Stakeholder co-ordination	1 Annual National Consultative Process Minister's Provincial Visits	<ul style="list-style-type: none"> <li>• National Consultative Process held in March 2001</li> <li>• Visits to 9 Provinces from June 2000 to March 2001</li> </ul>
Secretariat service	4 MINMEC meetings per year Bi-lateral meetings with stakeholders as required	<ul style="list-style-type: none"> <li>• 6 MINMEC meetings held</li> <li>• Several bi-lateral meetings held</li> </ul>
<b>Management</b>		
<b>Outputs</b>	<b>Service Delivery Indicators</b>	<b>Actual Performance</b>
Overall management of the Department	Refer to core programmes and financial reports	

Briefing Parliamentary Committees	As required by Committees	<ul style="list-style-type: none"> <li>• 1 SCOPA appearance</li> <li>• 19 briefings to Portfolio Committee on Social Development</li> <li>• 2 briefings to NCOP Committee on Social Services</li> <li>• 1 appearance before Joint Committee on Monitoring of Gender, Children and Disability</li> </ul>
Cabinet and Parliamentary matters	All Parliamentary questions responded to by close of session. Cabinet memoranda submitted as required	<ul style="list-style-type: none"> <li>• 84 questions dealt with in Year 2000 Parliamentary Session and no replies were outstanding at close of Parliamentary session</li> <li>• 10 Cabinet memoranda submitted</li> </ul>
<b>Human Resource Management</b> <b>(refer also to Oversight Report in Appendix)</b>		
<b>Outputs</b>	<b>Service Delivery Indicators</b>	<b>Actual Performance</b>
Recruitment and selection service	Posts filled according to priority list	<ul style="list-style-type: none"> <li>• 54 vacancies were filled</li> </ul>
Job evaluations	Evaluate all posts to be filled	<ul style="list-style-type: none"> <li>• 73 jobs evaluated, constituting 24% of jobs on the establishment</li> </ul>
Processing performance evaluations (merits, notches and rank/leg promotion)	Performance evaluations of all eligible officials	<ul style="list-style-type: none"> <li>• Processed 19 merit cases, 44 notch cases and 76 rank/leg promotions</li> </ul>
Preparation of Employment Equity Plan	Plan completed and submitted in accordance with Department of Labour requirements	<ul style="list-style-type: none"> <li>• Plan submitted by due date 1 June 2000</li> </ul>

Human Resource policies	Policies developed in accordance with Public Service Regulations	<p>Policies developed:</p> <ul style="list-style-type: none"> <li>• Job evaluation</li> <li>• Remunerative work outside department</li> <li>• Recruitment, Selection and Appointment</li> <li>• Termination of service</li> <li>• Remunerative overtime</li> <li>• Resettlement costs</li> <li>• Bursaries for part-time study</li> <li>• Employee Assistance Programme</li> <li>• Affirmative Action</li> <li>• Working hours</li> <li>• Smoke-free workplace</li> </ul>
New Performance Management System for staff below Director level	Finalise by January 2001	<ul style="list-style-type: none"> <li>• New performance management system completed by January 2001 for implementation on 1 April 2001</li> </ul>
<p><b>Human Resource Development</b> (refer also to Oversight Report in Appendix)</p>		
<b>Outputs</b>	<b>Service Delivery Indicators</b>	<b>Actual Performance</b>
ABET course	Officials in lower ranks have access to ABET courses	<ul style="list-style-type: none"> <li>• 28 officials participated in the programme</li> </ul>
Co-ordination of departmental training and development	<p>All staff have access to training and development opportunities</p> <p>Training must support priorities of Department</p> <p>Expenditure on training and development</p>	<ul style="list-style-type: none"> <li>• Staff at all levels received training and were allocated bursaries</li> <li>• R267 771 spent on external training (excludes policy-specific training in line functions)</li> </ul> <p>Training provided:</p> <ul style="list-style-type: none"> <li>• ABET</li> <li>• Computer Training</li> <li>• Management development</li> <li>• Finance and budgeting</li> <li>• Information management</li> <li>• Human Resources</li> <li>• Service delivery</li> </ul>

		<ul style="list-style-type: none"> <li>• Policy and research</li> <li>• HIV/AIDS, child care issues, social security</li> <li>• Rural development</li> <li>• Gender awareness</li> </ul>
Impact assessment of Training for Middle and Senior Managers in National and Provincial Departments	Assessment to be completed by September 2000	<ul style="list-style-type: none"> <li>• Report was submitted to Heads of Social Development Departments in November 2000, to inform HRD plans and sector strategy</li> </ul>
HRD Strategy for Social Development Sector	Complete by 31 March 2001	<ul style="list-style-type: none"> <li>• Strategy was completed. Costing and further consultation with provinces in progress</li> </ul>
Revised curriculum for social workers	Curriculum for social workers must be relevant to the needs of the social development sector	<ul style="list-style-type: none"> <li>• Discussions were held with the Joint Universities Council of Schools of Social Work. Inputs will be made to the JUC in 2001/2001</li> </ul>
<b>Legal Services</b>		
<b>Outputs</b>	<b>Service Delivery Indicators</b>	<b>Actual Performance</b>
Legislative Programme	Draft legislation required by Department	<ul style="list-style-type: none"> <li>• Probation Services Amendment Bill</li> <li>• Amendments to regulations of Social Assistance Act</li> <li>• Regulations to Aged Persons Amendment Act</li> <li>• Developmental Welfare Governance Bill</li> </ul>
Legal advice on litigation	As required	<ul style="list-style-type: none"> <li>• One class action and 3 cases citing Minister as Respondent</li> <li>• Advice and support to provinces on social security litigation, in excess of 1000 cases involved</li> </ul>



Legal advice on contracts	All contracts entered into by the Department must be certified by Legal Services	<ul style="list-style-type: none"> <li>• Certified 10 contracts and service level agreements of department</li> <li>• Reviewed 4 contracts of social security third party contractors</li> </ul>
Legal advice and/or investigation of labour matters	As required	<ul style="list-style-type: none"> <li>• Investigated 3 cases resulting in disciplinary action</li> </ul>
<p><b>Finance and Procurement</b> (refer also to Part 4: Financial Statements and Auditor-General's Report)</p>		
<b>Outputs</b>	<b>Service Delivery Indicators</b>	<b>Actual Performance</b>
Implementation of Public Finance Management Act (PFMA)	<p>Progress on priority areas identified in PFMA</p> <p>Implementation Plan submitted to Treasury by 31 August 2000:</p> <ul style="list-style-type: none"> <li>• In-year management, monitoring and reporting</li> <li>• Strategic plans</li> <li>• Effectiveness of internal controls</li> <li>• Improving planning of transfers</li> <li>• Account reconciliation's</li> <li>• Delegations to officials</li> <li>• Clear up audit queries</li> <li>• Annual financial statements</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation Plan was submitted to Treasury by due date 31 August 2000.</li> <li>• Process of strategic planning is in place</li> <li>• Monthly reports submitted to Treasury and quarterly reports submitted to Minister. Working with the Office of the Accountant-General to develop a Management Reporting Model to improve quality of reporting</li> <li>• 13 Senior Managers, 26 Middle Managers and 12 other officials trained in the PFMA</li> <li>• Audit Committee, Internal Audit and Internal control functions established</li> <li>• Macro-Risk Assessment 80% complete – will serve as basis for Audit Coverage Plan and Anti-Corruption and Fraud Prevention Plan</li> <li>• All audit queries from Auditor-General dealt with and cleared</li> <li>• Financial delegations in place</li> <li>• Account reconciliation improved</li> </ul>

		<ul style="list-style-type: none"> <li>• Annual Financial Statements submitted to Auditor-General and Audit Committee as required by PFMA</li> <li>• All transfer payments comply with PFMA and Division of Revenue Act</li> <li>• Chief Financial Officer identified for appointment from 1 May 2001. Contracted a Chartered Accountant to assist as an interim measure</li> </ul>
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#### 1.4 Transfer Payments

No transfer payments were made from Programme 1 during the year under review.

## **PROGRAMME 2: SOCIAL SECURITY**

### **2.1 Aim**

*To facilitate the development, implementation and monitoring of policies and strategies for a comprehensive social security system.*

### **2.2 Policy developments**

Programme 2 includes:

- Social Insurance
- Social Assistance

During 2000/2001, the Social Security Programme focused on two areas, namely, the development of a comprehensive, affordable system of social security and improving the access and quality of services under the existing system of social assistance.

#### **2.2.1 Committee of Inquiry into a Comprehensive Social Security System**

In May 2000, a Committee of Inquiry was established to investigate and present options to Cabinet for a comprehensive and affordable system of social protection for South Africa. In addition to considering the gaps in coverage of the existing system of social assistance, the Committee is tasked to consider other forms of protection provided by Government in the area of health, labour and transport. The Committee reports to a sub-committee of Cabinet Ministers, which includes the Minister of Social Development (Convener), the Minister of Finance, the Minister of Labour, the Minister of Health and the Minister of Transport. During 2000, the Committee conducted extensive research, which included benchmarking against systems in other countries and also held public hearings. The first comprehensive report of the Committee will be submitted to Cabinet in 2001/2002. The role of the Department has been to provide financial and administrative support to the Committee and also to serve on the Committee.

### **2.2.2 Improving the existing system of social assistance**

Whilst it is expected that the Committee of Inquiry into a Comprehensive Social Security System will recommend extensive social policy reform, the department believed it necessary to effect major improvements to the current service delivery processes as a matter of priority. The need for these urgent improvements was brought home by the Minister's programme of Provincial Visits, which revealed poor quality of service delivery, especially to people in the rural areas.

In November 2000, the Department embarked on the National Norms and Standards Project, which will form the basis for reengineering service delivery in the area of social assistance. The Department completed a detailed and comprehensive investigation of all the Provinces on:

- administration and management of end-to-end processes
- control procedures
- the extent to which customer care is provided and the Batho Pele principles adhered to
- organisational performance in the area of social security
- human resources and skills of officials
- financial management
- IT systems and infrastructure
- availability of service points and office space in each provincial, regional, district and satellite office

As part of the Norms and Standards Project, the Department has also undertaken an audit of over 7000 pension pay points in the country. The final report, due in July 2001, will propose norms and standards for implementation over the short, medium and long term.

### **2.2.3 Review and amendment of Regulations to the Social Assistance Act, 1992**

A joint National-Provincial Task Team of officials reviewed the regulations of the Social Assistance Act, 1992 to address the shortcomings and inconsistencies in the Regulations. The problems with the Regulations have been raised over a period by role players and beneficiaries and came under close scrutiny during the Minister's

Provincial Visits. Following several briefings at MINMEC and the Portfolio Committee on Social Development, the amended regulations were published in the Government Gazette on 23 March 2001, for public comment. The amendments will be refined further, to take effect from 1 December 2001. The most significant of the amendments include:

- The appointment of Disability Assessment Panels where applicants do not have access to District Surgeons;
- Abolition of the assets test for social grants;
- Amendment of the accrual date of grants from date of approval to date of application;
- Simplification of the procedures for regular review of beneficiaries to lessen the burden on beneficiaries; and
- Clarifying the distinction between temporary and permanent disability.

#### **2.2.4 Final phasing out of the State Maintenance Grant and improving the take up rate for the Child Support Grant**

The phasing out of the State Maintenance Grant commenced on 1 April 1998, with the introduction of the Child Support Grant. The State Maintenance Grant had been introduced by the pre-1994 Government and was a discriminatory programme. The year 2000/2001 was the final year of the phasing out of the State Maintenance Grant.

The Department assisted the Provincial Departments to improve the take up rate of the Child Support Grant, by funding initiatives such as publicizing the Child Support Grant and registration drives for children who are eligible for the Child Support Grant and amending the regulations to speed up access to the grant. The take-up rate increased from 320 734 children in March 2000 to 1 043 861 children in March 2001.

### 2.2.5 Trends in beneficiaries

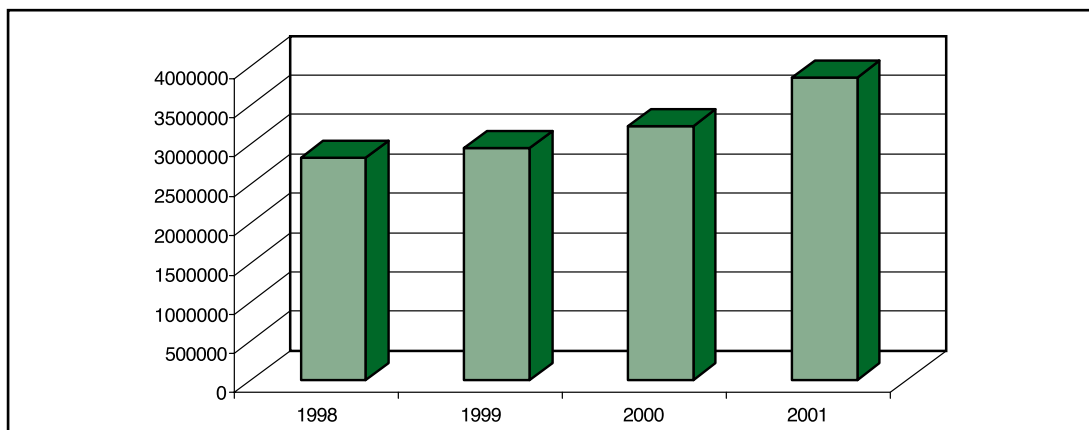
Figure 5 shows the number of beneficiaries from April 1998 to April 2001. Figure 6 shows the number of Child Support Grant beneficiaries for the same period. Table 1 shows the number of beneficiaries per grant type over the same period.

As a result of the phasing in of the child support grant total number of grant beneficiaries have increased from 2.8 million in April 1998 to 3.8 million in April 2001. At the same time the number of people eligible for other grants such as Old Age, Care Dependency Grant, and Foster Care Grant has also increased. Between April 1998 and April 2001, the number of Old Age grant beneficiaries increased by 179 541 at an average annual rate of 3.4 percent.

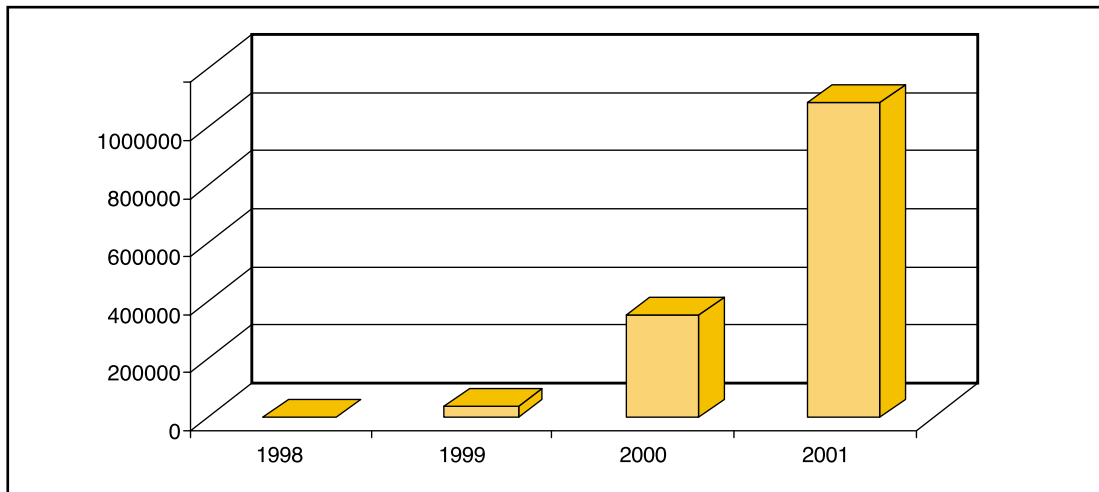
The number of Foster Care Grants has increased by 17 362 at an average annual rate of 13.2 percent. The increases in the Northern Province (43.9 percent) and KwaZulu Natal (36.3 percent) account for most of this increase. Growth in the number of Care Dependency Grants has also been rapid, averaging 66.3 percent. The number of people who will become dependant on these grants will increase dramatically as HIV/AIDS impacts on the health and productivity of breadwinners.

Although the disability grant shows a 4.1 percent decrease in April 2000, numbers have again started to increase by 4 percent in April 2001, above 5 percent growth in Eastern Cape, Free State, Gauteng, Mpumalanga and Northern Province. The number of beneficiaries for other grants such as State Maintenance, War Veteran's and Grant-in-aid continue to decline

**Figure 5. Beneficiaries 1 April 1998 to 1 April 2001**



**Figure 6. Child Support Grant Beneficiaries: 1 April 1998 to 1 April 2001**



**Table 1: Trends in Number of Grant Beneficiaries**

	April 1998	April 1999	April 2000	April 2001
Old age	1 702 647	1 812 695	1 848 726	1 882 188
Disability	660 198	633 778	607 537	631 758
Care dependency	10 126	16 835	22 789	30 269
Foster care	43 906	46 496	49 843	61 268
Child support	0	34 471	348 532	1 078 884
Parent allowance	160 462	173 662	144 870	296
Child allowance	230 633	213 762	193 772	153 114
War veterans	10 441	9 197	7 908	6 062
Grant-in-aid	9 113	8 496	8 570	9 715
<b>Total</b>	<b>2 827 526</b>	<b>2 949 392</b>	<b>3 232 547</b>	<b>3 853 554</b>

### 2.2.6 Litigation in social security matters

Over the past two years there has been an increase in the number of litigations in the area of social security. These litigations cover class actions as well as actions by aggrieved individuals. From the information available to the Department, most cases emanate from the Eastern Cape and KwaZulu-Natal and relate to unfair delays in

processing applications and removal of beneficiaries from the system without adequate notification. In the Eastern Cape there are approximately 700 cases concerning delays in processing applications and one class action on behalf of disability grant beneficiaries whose grants had been suspended. In KwaZulu-Natal there was a test case concerning a beneficiary who had received an incorrect identity document from the Department of Home Affairs and his grant was suspended.

Many of the cases appear to emanate from administrative inefficiencies, anomalies in the Regulations to the Social Assistance Act, 1992 and budgetary constraints. The amendments to the regulations and the improvements to the administration of social security are expected to reduce the level of litigation.

### **2.2.7 Relief Funds**

The Fund Raising Act No 107 of 1978 provides for the establishment of Relief Boards (Disaster Relief; Social Relief; State President's Relief and Refugee Relief) to provide social relief to people in distress, through disasters or displacement from another country. The functions of the four relief boards were amalgamated to improve the efficiency of the Relief Funds function. During 2000/2001, a total of nine disasters were declared covering 65 areas in the Provinces of KwaZulu-Natal, Northern Province, Eastern Cape, Western Cape and Mpumalanga.

The major activity of the past year has been with the Disaster Relief Board, which processed 110 907 applications arising mainly from the floods that devastated many areas of South Africa in late 1999 and early in the year 2000. The applications processed were to the value of R 49 220 590.

The Social Relief Fund assisted 5 organisations, which provided assistance to victims of political violence. These organisations are: KwaMashu Ekhusizani; Impumelelo Women's Organisation; Siyazisa Women's Organisation, Kenville Crisis Community; and Inqaba Relief Community.

The assistance provided totalled R258 805. There were no applications for relief to the State President's Fund for victims of terrorism. The Refugee Relief Fund was activated in October 2000. The Department is working with the Department of Home Affairs and the UN High Commission for Refugees to establish policies and procedures for providing relief to refugees and asylum seekers.



<b>Social Insurance</b>		
<b>Outputs</b>	<b>Service Delivery Indicators</b>	<b>Actual Performance</b>
National norms and standards for administration of social security	Target date 31 March 2001. Target date was revised to 31 July 2001 to allow for detailed assessment of provinces.	<ul style="list-style-type: none"> <li>Investigation and draft report were completed by 31 March 2001 and final report completed by mid-June, following consultation with provinces.</li> </ul>
Business case and delivery model for Welfare Payments and Information Service (with other directorates of Department)	Target date 31 March 2001	<ul style="list-style-type: none"> <li>Work on this output was rescheduled to align with the Norms and Standards project. Due for completion by 30 September 2001</li> </ul>
Support to Committee of Inquiry into Comprehensive Social Security	Adequate financial and administrative support to the Committee	<ul style="list-style-type: none"> <li>R1.5 million allocated for 2000/2001. Dedicated administrative support provided as well as procurement of research and technical assistance.</li> </ul>
Projections of impact of HIV/AIDS on the social grant system	Target date: April 2000	<ul style="list-style-type: none"> <li>Work incorporated into the work of the Committee of Inquiry</li> </ul>
<b>Social Assistance</b>		
<b>Outputs</b>	<b>Service Delivery Indicators</b>	<b>Actual Performance</b>
Amendment of regulations to Social Assistance Act, 1992	Publish for comment by January 2001	<ul style="list-style-type: none"> <li>Published for comment in March 2001 to allow for extensive consultation.</li> </ul>
Social assistance strategy for persons with disabilities	Complete by September 2000	<ul style="list-style-type: none"> <li>Completed by September 2000. Some elements incorporated into regulations, others deferred pending work of Committee of Inquiry into Comprehensive Social Security</li> </ul>

Policy on review of social grants	Complete by August 2000	<ul style="list-style-type: none"> <li>• Completed by December 2000 and incorporated into regulations</li> </ul>
Research on impact of Child Support Grant and Phasing out of State Maintenance Grant	Complete by August 2000	<ul style="list-style-type: none"> <li>• Recommendations of the research have been incorporated into the work of the Committee of Inquiry</li> </ul>
Monitoring and Audit of re-registration process	All beneficiaries re-registered by 31 March 2001	<ul style="list-style-type: none"> <li>• Audit report completed in August 2000. Recommendations have been incorporated into the Policy on Review of Grants. Systems issues have been taken up in the Programme for Improving Social Security</li> </ul>
Grants to provinces to improve social security	R30 million scheduled for transfer in 2000/2001	<ul style="list-style-type: none"> <li>• R30 m transferred</li> <li>• Total transfers since 1998/99 are R80 083 580 million. Support was also provided to provinces to improve financial management.</li> </ul>
Technological Infrastructure Programme in Eastern Cape, Northern Province and Mpumalanga	Roll-out completed in all 3 provinces by 31 March 2001	<ul style="list-style-type: none"> <li>• Rollout completed in Eastern Cape and Mpumalanga. Roll-out 50% completed in Northern Province by 31 March 2001</li> </ul>
Grants to provinces support implementation of the Child Support Grant	R16 900 000 scheduled for transfer	<ul style="list-style-type: none"> <li>• R16 900 000 transferred. Take-up of CSG increased from 320 734 in March 2000 to 1 043 861 children in March 2001.</li> </ul>
Relief to victims of disasters	Process all applications received in 2000/2001	<ul style="list-style-type: none"> <li>• 90% applications processed, totalling R49 220 590.</li> </ul>

## 2.4 Transfer Payments

Name of Institution	Amount Transferred R'000	Purpose	Compliance with section 38 (1) (j) of the PFMA
Disaster Relief Board	50 001 1 1 1	Relief to victims of disasters	The Board is the Accounting Authority. Separate financial statements are maintained and the Auditor-General audits these.
State President's Relief Fund	1	Relief to victims of Terrorism	The Board is the Accounting Authority. Separate financial statements are maintained and the Auditor-General audits these.
Social Relief Fund	1	Relief to victims of political violence	The Board is the Accounting Authority. Separate financial statements are maintained and the Auditor-General audits these.
Refugee Relief Fund	1	Relief to Refugees	The Board is the Accounting Authority. Separate financial statements are maintained and the Auditor-General audits these.
International Social Security Association	180	Membership fees	Compliance conditions met

## **PROGRAMME 3: WELFARE INFORMATION SERVICE**

### **3.1 Aim**

*To provide grant information, payment and transaction, and communication service*

### **3.2 Policy developments**

Programme 3 includes:

- Communication
- Information Management and Technology

#### **3.2.1 Communication**

During the year under review, the communication function played a strategic role in repositioning the Department from “welfare” to “social development”. With the central theme of Mobilising for a Caring Society, the communication function’s activities focused on:

- Informing and educating beneficiaries and the general public about the policies, programmes and activities of the Department;
- Supporting the Minister on important initiatives, including the Ministers’ Provincial Visits and Imbizos and his international functions;
- Supporting important ministerial initiatives such as the Committee on the Abuse, Neglect and Ill-Treatment of Older Persons;
- Strengthening inter-governmental relations through support to MINMEC and through the National-Provincial Communication Forum;
- Enhancing partnerships with stakeholders, especially Faith-Based Organisations and Community-Based Organisations;

- Enhancing the profile, transparency and accountability of the Department; and
- Improving access to information on the Ministry and the Department to the general public.

Many of the activities were undertaken jointly with the media liaison function in the Ministry, thus ensuring that communication of the Department was aligned with the strategic imperatives of the Minister and the Government. (Refer to the section of the Annual Report, which discusses the activities of the Ministry)

The communication function operated with limited resources and, in recognition of the importance of communication in achieving the goals of the Department, additional resources have been allocated in 2001/2002. The communication function will focus on consolidating the gains made in external communication and on enhancing the internal communication of the Department.

### **3.2.2 Information Management and Technology**

#### **Information management policy and strategy**

The availability of accurate, reliable and timely information continues to pose a major challenge to the Department. During the year under review, the Department developed an information policy and an information strategy. The Information Management Policy sets out the principles for:

- information identification
- quality of information
- sharing and dissemination of information
- information security, privacy and confidentiality

The Information Management Strategy aims to:

- improve the quality of information in terms of accuracy, currency, consistency
- promote the use of information for decision-making
- co-ordinate information, eliminating duplication and fragmentation and improving accessibility
- ensure that systems are in place to manage information in the Department

As the provincial departments are users and providers of information, the Department has established a National-Provincial Co-ordinating Forum for Information.

The Department will review the Information Management Policy and Strategy in 2001/2002 to ensure that they are consistent with the requirements of the Access to Information Act.

The Department, despite several appeals to the provincial departments, only received information from five provinces for the 1999/2000 Annual Welfare Statistics Report. As a result, the Department is not in a position to publish the Annual Welfare Statistics Report. Capacity constraints in the provincial departments and the labour intensiveness of data collection are the two major reasons for delays in providing the information. The review of the Information Management Strategy will have to identify ways of overcoming these two problems.

### **SOCPEN System**

Although the SOCPEN system is to be replaced, it was necessary for the Department to make interim enhancements to the system in order to cope with the increase in the number of beneficiaries on the system. These enhancements increased the expenditure incurred by the Department on the SOCPEN system. The SOCPEN system is a mission critical system as it generates the monthly payments for social grants. Without these interim enhancements, there is a significant risk that beneficiaries may not be paid on time or receive the correct amount of money.

The Department has commenced work on the development of a new grants payment system and the user requirement specifications and business case were close to completion at the end of 2000/2001. The replacement of SOCPEN now forms part of the overall Programme to Improve Social Assistance, as outlined in Programme 2 of the Annual Report. (refer to paragraph 2.2.2 of the Annual Report)

### **Welfare Payments and Information System**

The Welfare Payments and Information System project was conceptualised in 1998/1999 as a reengineering of the social assistance programme to provide an efficient, citizen-focused welfare payments and information service in the form of a

public-private partnership. In 1999/2000, the Department developed the overall processes for managing the development and implementation of the Welfare Payments and Information System. On reviewing the progress that had been made, it was necessary for the Department to revise the project programme to take into account the work of the Committee of Inquiry into a Comprehensive Social Security System and the Norms and Standards Project on social security. The work done in 2000/2001 on the identification and costing of business models has been incorporated into the Programme to Improve Social Assistance (refer to paragraph 2.2.2 of the Annual Report).

#### **Integration with systems of other departments**

The Department serves on the Technical Committee and Directors-General Committee on HANIS/SmartCard, convened by the Department of Home Affairs. The new grants payment system must be compatible with the Department of Home Affairs HANIS system to enable the necessary compliance checks against the National Population Register. It is also envisaged that the new grants payment system will utilise a SmartCard and compatibility with the technology infrastructure to be used by the Department of Home Affairs is essential.

As outlined in Programme 4 in the Annual Report, the Department is one of the four national departments involved in the development of the Integrated Justice System. The Information Technology component of the Department has provided technical advice on the social development components of the Integrated Justice System.

#### **Partnership with State Information Technology Agency (SITA)**

The State Information Technology Agency (SITA) is responsible for the operation of the mainframe on which the SOCPEN (pension payment system) operates. The Department has also utilised the services of SITA on information technology projects including the Infrastructure and Technology Roll-out Programme and the Integrated Justice System. During the year under review the Department commenced discussions with SITA to migrate information technology functions to the agency. SITA has presented a migration plan, which will be considered in 2001/2002.

### 3.3 Outputs and service delivery trends

<b>Communication</b>		
<b>Outputs</b>	<b>Service Delivery Indicators</b>	<b>Actual Performance</b>
Publications	Departmental reports and information brochures as required	<ul style="list-style-type: none"> <li>• Annual Report 1999/2000</li> <li>• UN Report on Social Development</li> <li>• Report on Abuse, Neglect and Ill-Treatment of Older Persons</li> <li>• Report on First National Consultative Process</li> <li>• Progress Report for year 2000 (Road to Social Development)</li> <li>• Brochure: You and Social Grants</li> <li>• Brochure: Children's Services</li> </ul>
Communication support service	All major ministerial and departmental events to be given support in the form of organising media coverage, exhibitions, community liaison and production and distribution of publicity material	Service provided to: <ul style="list-style-type: none"> <li>• Minister's Provincial Visits</li> <li>• Ministerial Committee on Abuse, Neglect and Ill-Treatment of Older Persons</li> <li>• Committee of Inquiry into Comprehensive Social Security</li> <li>• Angola Appeal</li> <li>• Social Development Month</li> <li>• Child Protection Week</li> <li>• 16 Days of Activism Against Violence Against Women</li> <li>• Budget Votes in National Assembly and NCOP</li> </ul>
Website and newspaper clipping service	Daily newspaper clipping service Website containing all media releases, policy documents, reports and general information on the Department	<ul style="list-style-type: none"> <li>• Newspaper clipping service operating effectively</li> <li>• Website is functional and contains all media releases, policy documents and reports. Improvements identified by GCIS audit will be implemented in 2001/2002</li> </ul>



<b>Information Management and Technology</b>		
<b>Outputs</b>	<b>Service Delivery Indicators</b>	<b>Actual Performance</b>
Systems to support work of Department	Develop systems for priority areas of work	Developed: <ul style="list-style-type: none"> <li>• Child Protection Register</li> <li>• Registration system for Non-Profit Organisations</li> <li>• Disaster Relief Fund System</li> </ul> Technical advice on: <ul style="list-style-type: none"> <li>• Integrated Justice System</li> <li>• HANIS SmartCard</li> </ul>
Maintenance of SOCPEN system	No major disruptions to the system so that provinces can make enquiries on the system and enter grant applications, and payment procedures run smoothly	<ul style="list-style-type: none"> <li>• Disruptions to the system were confined to testing modifications to the system. The system nevertheless is generally slow.</li> </ul>
Monthly grant information	Monthly reports on number of beneficiaries per grant type per province. Reports should contain trends analysis	<ul style="list-style-type: none"> <li>• Monthly reports are generated by the SOCPEN system. Due to capacity constraints in the Department, the data is not analysed on a regular basis. The integrity of the data on the system is problematic</li> </ul>
Finalisation of process for reengineering welfare payments processes	Refer to Programme 2	Refer to Programme 2
Information Management Policy and Strategy	Policy and strategy to improve the management of information in the Department	Information Management Policy and Strategy were completed in March 2001. Elements of the strategy have been implemented: <ul style="list-style-type: none"> <li>• Needs assessment and prioritisation of information management projects</li> <li>• Establishment of National Information Forum and National-Provincial Information Co-ordinating Forum</li> </ul>

Annual Report on Welfare Statistics	Report provides analysis of welfare services and expenditure for period 1999/2000 and trends in welfare services	• Report could not be published as information is available from only 5 provinces
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### 3.4 Transfer payments

No transfer payments were made under Programme 3.

## PROGRAMME 4: DEVELOPMENTAL SOCIAL WELFARE SERVICES



### 4.1 Aim

*To develop and maintain relevant social welfare legislation, policy framework and national strategies.*

### 4.2 Policy developments

Programme 4 includes the following sub-programmes:

- Children, youth and families
- Women
- Older persons and persons with disability

It should be noted that the co-ordination of the Department's HIV/AIDS programme funded from the Special HIV/AIDS allocation is managed under Programme 4. Programme 5: Social Development and Programme 6: National Population Unit also contribute towards the Department's response to HIV/AIDS.

#### 4.2.1 Financing Policy

In February 2001, the Minister initiated a rapid review of the Financing Policy. The policy was adopted in April 1999, with the view to phasing in over a period of five years. The main aim of the Financing Policy is to transform the sector through changing the approach to the subsidizing of national councils and other non-governmental organizations. The rapid review found that although the principles of the policy were commendable, a more comprehensive approach was required to accelerate the transformation of the sector. The department has been tasked to undertake a major review process, with the aim of developing a comprehensive transformation programme, which includes:

- Developing national norms and standards for service delivery
- A Human Resource Plan and Human Resource Development Strategy
- Costing of welfare services
- A programme for improving welfare infrastructure
- Revised policy and legislation
- Design of a monitoring and evaluation programme

The design of the overall transformation programme must be completed by 31 March 2002, with the view to implementation in the next financial year.

#### **4.2.2 HIV/AIDS**

The National Department has developed a social development framework for an integrated and co-ordinated response to HIV/AIDS. The framework includes sourcing reliable research and information; the provision of social protection to those infected and affected, especially children; protection of children's rights; provision of services; special programmes such as the Home-Based/Community-Based Care Programme; empowerment of women; and the capacitating of officials to deal with HIV/AIDS. The department's response to HIV/AIDS is underpinned by working in partnership with other government departments, Non-Governmental Organisations, Community-Based Organisations, Faith-Based Organisations, the business sector, volunteers and international agencies.

#### **Home-Based Care and Community-Based Care**

The department is implementing a programme of home-based /community-based care, in conjunction with the Department of Health and the Department of Education. The programme forms part of an integrated programme of the three departments. Three departments have established the programme in six provinces (Northern Province, Free State, Eastern Cape, Northern Cape, North West Province and Mpumalanga). The integrated programme provides life skills for children and youth, voluntary testing and counselling services and a range of care and support services focusing on families and children orphaned through AIDS-related deaths of their parents. The Department received an allocation of R6.8 million for these projects in 2000/2001 and has funded 16 projects through this initiative.

In addition to the projects initiated by the three departments, the Department of Social Development has also supported a number of community-initiated care and support projects. The department in 2000/2001 funded a total of five projects to the value of R1 180 000 from the Special HIV/AIDS Allocation provided by the National Treasury. Several projects were also funded from the Poverty Relief Fund. With the increasing demand for care and support services to families and children infected and affected by HIV/AIDS, the department will be expanding its programme significantly over the next three years.

### **Partnerships in HIV/AIDS Programme**

Over the past year the department has strengthened its partnership with national and international organisations involved in the fight against HIV/AIDS. The department chairs the National AIDS Children's Task Team (NACTT), which is a multi-sectoral task team focusing on the care and support of children infected and affected by HIV/AIDS.

- UNICEF conducted studies on approaches to caring for vulnerable children and children orphaned through AIDS-related illnesses, and studies on the cost-effectiveness of six models of care for vulnerable children. The department in designing programmes for children has used the results of these studies. UNICEF has indicated interest in providing further support to the department in fast tracking the Home-Based/Community-Based Care Programme.
- Save the Children Fund provides secretariat and other assistance to the NACTT and over the past year, it has undertaken research on abused children and children affected by HIV/AIDS. The organisation is also compiling a directory of services and children's organisations. The directory will be placed on the website for access by clients and service providers.
- Over the past year the department has placed emphasis on strengthening its partnership with Faith-Based Organisations to assist with the Poverty Relief Programme and HIV/AIDS. In August 2000, the department funded a national religious conference to identify ways in which Faith-Based Organisations could be involved in HIV/AIDS programmes. As a result of the conference, the department was in a position to allocate funds to these organisations to strengthen community-based initiatives in the fight against HIV/AIDS.

#### 4.2.2 Children and Youth

In addition to social assistance to children through the Child Support Grant and the Foster Care Grant, the department facilitates the provision of services to children and youth through the Provincial Departments of Social Development and the Non-Governmental Organisations.

#### Child Abuse and Neglect

Child abuse and neglect is a priority of the department and during the past year the department has taken the following initiatives in this area:

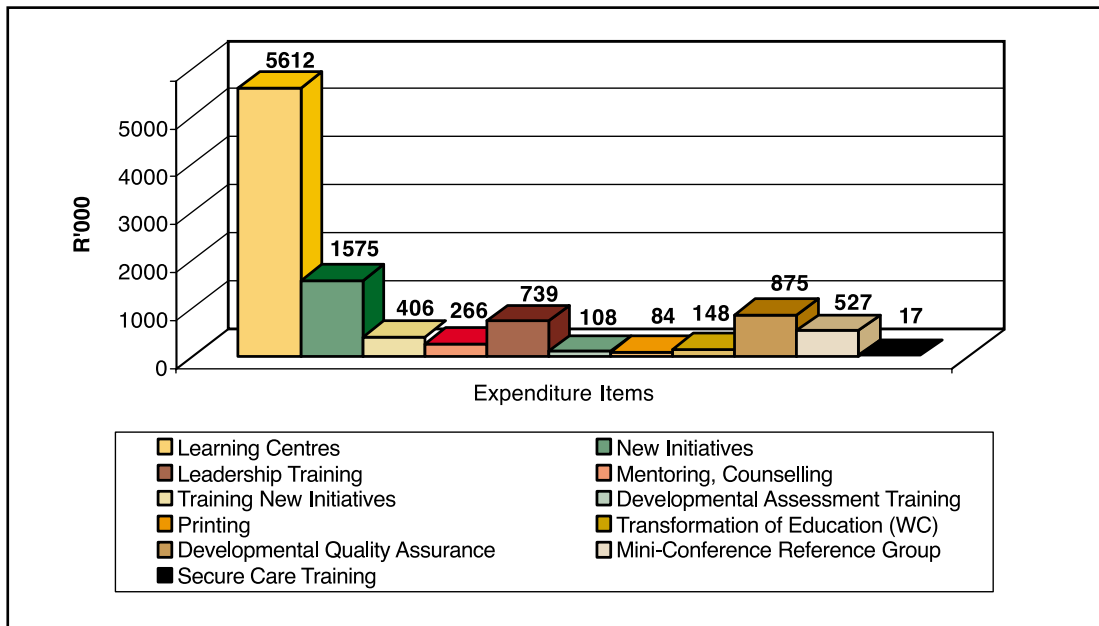
- A computerised Child Protection Register was developed and piloted successfully in two provinces. The register will be fully implemented in 2001. The department held 17 workshops to train the provincial officials, members of the Child Protection Unit of the South African Police Service and members of national NGO's on the implementation of the Child Protection Register.
- The department facilitated the development of protocols on the management of child abuse and neglect cases.
- The department facilitated the development of an inter-sectoral Child Abuse and Neglect Strategy, due for finalisation in 2001.

#### Transformation of the Child and Youth Care System

The programme to Transform the Child and Youth Care System has been operating since 1998/99, with the assistance of the Netherlands Government. The main aim of the programme is to develop new and innovative approaches to responding to the needs to children and youth at risk. In 2000/2001, the Department received the final tranche of funds of R10 million under the existing Sectoral Budget Support from the Netherlands Government. Figure 7 provides an overview of the expenditure for the year under review. An amount of R375 000 was carried over from 1999/2000.

Sixty-six percent of the funds were allocated to learning centres established in the previous two financial years.

**Figure 7. TCYCS Expenditure 2000/2001**



**Table 2: Learning Centres funded from the Netherlands Sectoral Budget in 2000/2001**

Learning centre and location	Programme	Allocation
Inanda Family Preservation (Durban, KwaZulu-Natal)	Family Preservation	R1.4 million
Phandalwazi Life Skills Centre (King William's Town, Eastern Cape)	Life Skills	R1.4 million
Stepping Stones (Port Elizabeth, Eastern Cape)	One-Stop Youth Justice	R1.4 million
Professional Foster Care (Kimberley, Northern Cape)	Foster Care	R1.4 million

### Secure Care Centres

In 1998/99 the Department commenced a programme to support the establishment of secure care facilities and made available conditional grants to all provinces, to the value of R33 million. In 2000/2001, the Department allocated the last tranches of conditional grants to the North West Province, and Mpumalanga

The National Secure Care Workshop was held in March 2001 in Bloemfontein to consider development of a protocol for secure care, uniformity of secure care practice, development of a programme for DQA, establish a forum for secure care, consult on the regulations for secure care, finalise an audit of all facilities accommodating children awaiting trial.

During the year, a total of 1500 personnel of secure care centres were trained and obtained a basic qualification in secure care.

**Table 3: Secure Care Facilities established since 1998/99**

Province	Secure Care Facility and location	Number of children who can be accommodated
Eastern Cape	Enkuselweni Secure Care (Port Elizabeth)	40
Free State	Matete Matches Secure Care Centre (Kroonstad)	40
Gauteng	Walter Sisulu Child and Youth Care (Diepkloof)	100
KwaZulu-Natal	Excelsior Place of Safety (Durban)	80
Mpumalanga	Hendrina Child and Youth Care Facility	22
Northern Cape	Molehe Mampe Secure Care (Galashewe) Marcus Mbetha Sindisa Centre (Upington)	60 60
Northern Province	Pietersburg Place of Safety	11
North West Province	Reamogetswe Secure Care (Brits)	15
Western Cape	Outeniekwa House (George)	120

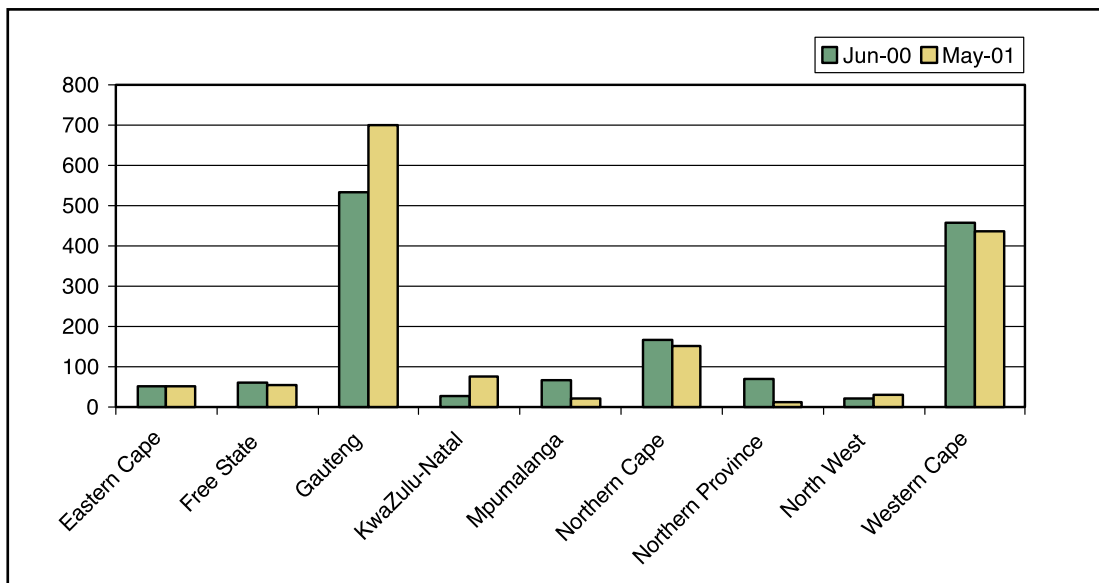


### Children awaiting trial

The Department is responsible for monitoring children awaiting trial in residential care facilities. By 31 March 2001, the Department with the active participation of provincial departments reviewed 3000 cases of children awaiting trial. In the period between June 2000 and May 2001, there was noticeable increase in the number of children held in Gauteng and KwaZulu-Natal, as shown in Figure 8. The overall number of children awaiting trial in social development facilities increased from 1451 to 1536.

The increase in the number of children awaiting trial in social development facilities may reflect the movement of children from correctional facilities and police cells. The Integrated Justice System will assist the Department to track children through the system and contribute to improving case management. As a first step, the Department participated in an inter-departmental investigation, launched by the Deputy Minister for Justice on 1 June 2000, to coincide with the International Day of the Child. The aim of the investigation is to monitor children awaiting trial and to reduce the number of children in adult correctional facilities. The monitoring will be institutionalise and regular reports are to be submitted to the Director-Generals' Cluster for Justice, Crime Prevention and Security.

**Figure 8. Children Awaiting Trial in Welfare Facilities**



### **House Arrest Project -a secure community based care option**

A first for South Africa, this project, located in Bellville, focused in particular on the monitoring of children waiting trial in the community. In the period July 1998-June 2001 138 children were successfully monitored. Of the 138 only 6 children re-offended on less serious crimes. There are currently 90 children in the project, spread over 9 areas in the Western Cape and managed by 10 Assistant Probation officers. This model is now being replicated in other areas. The cost of the House Arrest programme appears to be significantly less than the cost of detaining children in prison. A detailed cost-benefit analysis will be completed in 2001/2002.

### **Child Care legislation**

The drafting of new Child Care legislation by the South Africa Law Commission is still underway. The Department of Social Development contributes financially to this process and submitted issues papers on the Chapter on Protection: Children in Especially Difficult Circumstances and Permanency Planning. The Department has held discussions with the South African Law Commission to speed up the process of finalising the legislation. The complexity of the issues requires that there be an extensive consultation process before the legislation is introduced into Parliament. It is envisaged that the legislation will be introduced in 2002.

### **Integrated Justice System**

The Integrated Justice System Project was initiated to ensure the integration of the management of cases and offenders through four departments, namely, the South African Police Service (SAPS), the Department of Justice, the Department of Correctional Services and the Department of Social Development, supported by enabling technologies. A number of projects were initiated to this end:

- Awaiting Trial Prisoner Project: An inter-departmental committee of senior officials was established in June 2000 to monitor cases of children awaiting trial.
- The computerised Child Protection Register was developed.
- Through technological improvements the four departments can now access the SAPS Crime Administration System. This access enables the tracking of children through the system and assists in the monitoring of their cases.

- The Court Process Project provides for the electronic management of court processes from arrest to final court appearances. The project is expected to result in significant efficiencies and a reduction in court delays. The Department of Social Development has six pilot sites for the project in KwaZulu-Natal and Gauteng.

### Central Drug Authority

The Department of Social Development facilitated the establishment of the Central Drug Authority (CDA). The Department provides a secretariat to the CDA. The primary task of the CDA is to ensure the implementation of the National Drug Master Plan and to monitor progress. The Members of the CDA were appointed by the Minister of Social Development, on the recommendation of the Portfolio Committee for Social Development. The CDA held its first meeting on 1 September 2000.

The CDA has established five sub-committees according to the priority areas set out in the National Drug Master Plan namely youth, drug related crime, community health and welfare, communication and international involvement and research. The CDA plans to establish a national network of provincial and local drug forums in all nine provinces. These networks will ensure good communication and involvement from the bottom to the top and from the top to the bottom. The Central Drug Authority is expected to report to Parliament during June 2001.

Elderly Abuse Public  
Hearing – Mpumalanga



### 4.2.4 Older Persons

The Department provided support to the Ministerial Committee on the Abuse, Neglect and Ill-Treatment of Older Persons. This support included the allocation of R 1 154 644 for the work of the Committee, administrative and logistical support as well as communication and media liaison service to publicise the Committee's investigation.

The recommendations of the Committee require an integrated and multi-sectoral response. The Department is co-ordinating the implementation of the recommendations and is expected to report on progress to Cabinet by 31 March 2002.

During the reporting period the Department completed the first draft of the policy and legislation on the Status of Older Persons. The draft policy and legislation are being reviewed to ensure that they are consistent with the recommendations of the Ministerial Committee.

#### **4.2.5 People with disabilities**

In addition to social assistance in the form of the Disability Grant, the department has also provided assistance to people with disabilities through the Poverty Relief Programme and subsidies to National Councils. The National Councils supported by the department are:

- The National Council for Persons with Physical Disabilities
- Deaf Federation of South Africa
- South African National Epilepsy League
- South African Federation for Mental Health
- Cancer Association of South Africa

The Provincial Departments of Social Development provide subsidies to protective workshops where people with disabilities are trained in basic production skills. By end March 2001, the Thabo Mbeki Development Trust, which received an allocation from the Poverty Relief Fund, had projects with nearly 8000 people with disabilities benefiting directly from the projects.

During the year the department reviewed the procedures for assessing people for the Disability Grant and proposed amendments to the Regulations of the Social Assistance Act. The amendments provide for the use of community-based assessment panels as an alternative to District Surgeons who are not easily accessible to people in rural areas. The Committee of Inquiry into a Comprehensive Social Security System is also investigating options to improve social protection for people with disabilities.



Women weaving at the Iflegi Yamabomvana flagship Project the Eastern Cape

#### 4.2.6 Women

The special focus of social development services to women derives from the premise and concern that the inequality that exists between men and women in South Africa is deeply entrenched and has characterised our society for many decades. Women are subjected to discrimination, exploitation and violence despite our Constitution, which affirms the democratic values of human dignity, equality and freedom. An unprecedented effort is therefore required to ensure that the status of women is elevated to protect their rights and speed up gender equality.

#### Economic empowerment

The Department established the Flagship Programme: Developmental Programmes for Unemployed Women with Children under Five Years to provide economic and

developmental opportunities and services to unemployed women and their young children. The target population served by this programme is unemployed women with children under the age of five years, living in deep rural areas and previously disadvantaged informal settlements.

Sixteen projects have been designed to create income that is distributed amongst the participating women. The various projects have different economic opportunities that include activities such as an eating house, overnight facility, car wash, beauty saloon, vegetable gardens, garment-making, poultry and egg production, bread-baking, leather works, offal cleaning, child minding and paper and fabric printing. The number of women and children benefiting from the Programme is as follows: Women - 801 and children 913. The Flagship Programme has developed a creative form of early childhood intervention, which provides developmentally appropriate education to young children aged younger than five years to increase their chances of healthy growth and development.

#### Victim Empowerment Programme

Central to the Victim Empowerment Programme, is the establishment of one hundred projects which provide much needed services to victims especially women and

children. The majority of these projects attempt to operate on the basis of “24-hour one-stop services”, where victims receive a range of services rendered by trained professional and/or volunteer staff. Each project reaches at least 30 victims per month, which implies that 2 500 more victims per month are reached with much needed services. The projects were audited in February 2001 to align with the Urban Renewal Programme announced by the President in his State of the Nation Address (February 2001).

A Domestic Violence Resource Directory, which includes protocols and services on domestic violence, has been compiled through the partnership of the Department and the National Network on Violence Against Women. The Directory will be made available at police stations, courts and welfare offices and will be updated annually.

The Victim Empowerment Programme has devised a strategy/programme for shelters for abused women and their children (including minimum standards for shelters). Draft minimum standards were drafted and circulated for comments. Several visits to shelters have also been undertaken with the aim of devising a model for shelters in the country. A survey on existing shelters for abused women and their children was conducted. Results/information will be used to devise a strategy covering the establishment, running and management of a shelter, as well as the programmes that need to be available in a shelter.

<b>Children, Youth and Families</b>		
<b>Outputs</b>	<b>Service Delivery Indicators</b>	<b>Actual Performance</b>
Implementation of National Integrated Plan for Children Infected and Affected by HIV/AIDS	Sites to be established in the six participating provinces	<ul style="list-style-type: none"> <li>• 8 sites have been established in six provinces. Total number of children reached is 2078. Total funds transferred to Provinces was R5 260 000</li> </ul>
	Support to community-initiated Home-Based/Community Based Care Programmes from the Poverty Relief Fund	<ul style="list-style-type: none"> <li>• R 8 550 079 was allocated for projects managed by the National Department. This constitutes 22 percent of the allocation for national projects</li> </ul>
	Support to programmes run by NGO sector	<ul style="list-style-type: none"> <li>• 5 projects funded to value of R1 180 000</li> </ul>
	Finalisation of Home-based / community-based integrated models with Department of Health	<ul style="list-style-type: none"> <li>• Models were adopted by Joint Health-Social Development MINMEC in January 2001 for implementation in 2001/2002</li> </ul>
	Facilitate compilation of directory of services for children	<ul style="list-style-type: none"> <li>• Directory close to completion and will be launched in 2001/2002</li> </ul>
Child Protection policies, strategies and programme implementation support	Child Protection Strategy completed by 31 March 2001	<ul style="list-style-type: none"> <li>• Work is in progress. Intersectoral nature of strategy and budgetary implications for other departments require that there be further consultation</li> </ul>
	Computerised Child Protection Register piloted in 4 Provinces	<ul style="list-style-type: none"> <li>• 5 provinces participated in pilot: North West, Gauteng, Free State, Mpumalanga and KwaZulu-Natal. Register was ready for roll-out to all Provinces by 31 March 2001</li> </ul>

	Register for Adoptions maintained according to statutory requirements	<ul style="list-style-type: none"> <li>• 2218 new adoptions were registered compared to 571 in 1999/2000</li> <li>• 1360 enquiries of origin received compared to 1978 in 1999/2000</li> </ul>
	Provision of International Social Services as required	<ul style="list-style-type: none"> <li>• 462 inter-country cases managed during year covering adoption, family reunification, child protection, missing children and abduction</li> </ul>
Strategies and programmes for children and youth at risk	Extend pilot projects on child and youth care in provinces	<ul style="list-style-type: none"> <li>• Foster Care projects operating in six provinces.</li> <li>• Family preservation projects operating in nine provinces</li> </ul>
	Financial support to provinces for secure care facilities	<ul style="list-style-type: none"> <li>• Transferred R1 500 000 to North West and Mpumalanga for secure care facilities</li> </ul>
Developmental Quality Assurance audits conducted	DQAs conducted in child and youth care residential facilities	<ul style="list-style-type: none"> <li>• DQAs conducted on 24 residential facilities</li> </ul>
	Audits of 8 selected TCYCS projects to be completed by 31 March 2001	<ul style="list-style-type: none"> <li>• Audits in progress for completion in July 2001</li> </ul>
Training and Capacity building	Probation officers and child and youth care workers trained in developmental approach	<ul style="list-style-type: none"> <li>• 400 probation officers and 32 assistant probation officers trained in probation services, diversion, developmental assessment and quality assurance</li> <li>• 1000 child and youth care workers in residential facilities trained in child development, basic care and support DQA, supervision, Professional Assault Response Training</li> </ul>



<b>Women</b>		
<b>Outputs</b>	<b>Service Delivery Indicators</b>	<b>Actual Performance</b>
Replication and expansion of Flagship Programme for women	Each province has 2 functioning projects	<ul style="list-style-type: none"> <li>• 16 projects functioning. All provinces have 2 projects, except KwaZulu-Natal and Northern Cape</li> </ul>
	Funding made available to Provinces through conditional grants	<ul style="list-style-type: none"> <li>• R695 000 transferred as conditional grants from the Poverty Relief Programme</li> </ul>
	Number of women and children benefiting from programme	<ul style="list-style-type: none"> <li>• 801 women and 913 children are direct beneficiaries</li> </ul>
Victim Empowerment Programme operating in all Provinces	Expansion of VEP from 52 projects in 1999/2000	<ul style="list-style-type: none"> <li>• 66 provincial projects and 34 national projects operating mostly as 24 hr one-stop centres for abused women and children</li> <li>• 2500 victims reached per month</li> </ul>
	Strategy on shelters for abused women by 31 March 2001	<ul style="list-style-type: none"> <li>• Survey of existing shelters was completed. Strategy to be finalised in 2001/2002</li> </ul>
Training and information for implementation of Domestic Violence Act, 1998	Primary service providers trained in application of Act	<ul style="list-style-type: none"> <li>• 25 social workers and lay counselors per province trained as trainers (National total is 225)</li> </ul>
	Directory of service providers published and distributed by 31 March 2001	<ul style="list-style-type: none"> <li>• Directory was completed by due date, but distribution was delayed while awaiting approval from State Tender Board</li> </ul>

<b>Older Persons and Persons with Disabilities</b>		
<b>Outputs</b>	<b>Service Delivery Indicators</b>	<b>Actual Performance</b>
Support to Ministerial Committee on Abuse, Neglect and Ill-treatment of Older Persons	Support provided in form of financing, administration and facilitating inputs	<ul style="list-style-type: none"> <li>• Provided R1 154 644 to cover major costs of Committee. Communication support throughout process.</li> <li>• Implementation of recommendations is in progress. Department is-developing and co-ordinating multi-sectoral plan.</li> </ul>
Draft policy and legislation on Status of Older Persons	Policy and legislation to replace current Aged Persons Amendment Act, to be consistent with Constitution and international conventions	<ul style="list-style-type: none"> <li>• Draft policy and legislation completed. Being reviewed by Task Team on Implementation of Ministerial Committee recommendations</li> </ul>
Financial support to National Councils and organizations assisting people with disabilities	Funds transferred to 5 National Councils and Thabo Mbeki Development Trust for Disabled Persons	<ul style="list-style-type: none"> <li>• R 728 919 was transferred to 5 National Councils. R 8 million constituting 2nd tranche was paid to the Thabo Mbeki Development Trust for Disabled Persons from the Poverty Relief Funds.</li> </ul>

#### 4.4 Transfer Payments

Name of Institution	Amount Transferred R'000	Purpose	Compliance with section 38 (1) (j) of the PFMA
Eastern Cape Provincial Department	950	HIV/AIDS	Transfer effected in terms of Division of Revenue Act
Free State Provincial Department	910	HIV/AIDS	Transfer effected in terms of Division of Revenue Act
Mpumalanga Provincial Department	960	HIV/AIDS	Transfer effected in terms of Division of Revenue Act
Northern Cape Provincial Department	1 000	HIV/AIDS	Transfer effected in terms of Division of Revenue Act
Northern Province Department	800	HIV/AIDS	Transfer effected in terms of Division of Revenue Act
North West Province Department	1 000	HIV/AIDS	Transfer effected in terms of Division of Revenue Act
International Federation of the Aged	1	Membership	Complied
International Social Service	60	Membership	Complied

Note: Transfer payments to National Councils are made under Programme 5.

## PROGRAMME 5: SOCIAL DEVELOPMENT



A member of Poverty Alleviation Project at Siyabuswa in Mpumalanga dressed in traditional Isindebele attire

### 5.1 Aim

*To facilitate the development, implementation and monitoring of policies, strategies and regulations for the community development and public private partnerships.*

### 5.2 Policy developments

Programme 5 includes:

- Community development and poverty alleviation
- Public-Private Partnerships

#### 5.2.1 Poverty Relief Programme

In addition to the provision of social assistance, the department also manages the Poverty Relief Programme for the ten social development departments. This programme is funded from through a special allocation from the Poverty Relief, Infrastructure and Job Creation Fund from the National Treasury, and aims to assist communities in a range of developmental projects. The allocation to the department for 2000/2001 was R120 million, bringing the department's total allocation for the three-year period to R363 million. The Independent Development Trust (IDT) disburses funds to projects, on the approval of the Department. The IDT also assists the Department with programme support and monitoring and evaluation.

#### Trends in allocations and expenditure

The major challenge the Department faced during 2000/2001 was to overcome the problem of under-expenditure of the Poverty Relief Funds. During the financial year the Department managed the allocations of three financial years, that is, R203 million (1998/1999), R40 million (1999/2000) and R120 million (2000/2001) a total of R363 million for the three period. The goal was to speed up the transfer of funds to projects in a responsible manner. This was achieved through establishing a National Poverty Relief Project Office and working in partnership with Faith-Based Organisations and the Independent Development Trust.

The funds allocated to each of the social development departments and the number of projects funded by each department in 2000/2001 are shown in the Table 5.

**Table 5: Payments to Projects from R120 million allocation (as at 31 March 2001)**

Province	No. of Projects	Amount allocated (Rands)	Amount Paid (Rands)	Paid (%)
Eastern Cape	23	14 888 900	12 672 058	85
Free State	50	7 814 600	7 303 857	94
Gauteng	77	13 655 500	11 103 940	81
Kwazulu/Natal	208	18 148 600	13 725 920	76
Mpumalanga	56	8 343 200	6 338 193	76
North West	109	7 312 300	3 512 313	48
Northern Cape	18	6 114 400	4 383 800	72
Northern Province	78	11 981 600	10 631 898	89
Western Cape	8	7 840 900	4 739 436	61
National Department	41	16 000 000	*22 210 271	138
Flagship Programme		650 000	650 000	100
<b>TOTAL</b>	<b>2868</b>	<b>112 750 000</b>	<b>97 271 689</b>	<b>86</b>

\*Funds were reallocated from projects that were not ready to receive funding in 2000/2001

**Table 6: Payments to Projects 1998/99 to 2000/2001  
(as at 30 June 2001)**

Province	No. of Projects	Amount approved (Rands)	Amount Paid (Rands)	Balance (Rands)	Paid (%)
Eastern Cape	709	32 951 877	32 603 002	348 874	98.9
Free State	204	18 140 661	18 140 661	0	100.0
Gauteng	197	21 787 407	21 202 527	584 880	97.3
Kwazulu/Natal	609	32 216 431	29 915 219	2 300 012	92.9
Mpumalanga	222	20 622 894	19 576 112	1 046 781	94.3
North West	256	16 481 629	15 822 514	659 114	96.0
Northern Cape	169	19 031 550	18 282 189	749 361	96.1
Northern Province	265	30 203 955	30 107 855	96 100	99.7
Western Cape	121	20 026 166	16 719 739	3 306 426	83.5
National Department	116	118 332 007	87 543 214	30 789 992	73.9
Flagship projects		650 000	650 000	0	100.0
<b>TOTAL</b>	<b>2868</b>	<b>329 794 580</b>	<b>289 913 037</b>	<b>39 881 542</b>	<b>87.9</b>

The remainder from the R363 Million, is for Capacity Building, which has been fully committed for capacity building and administration of both projects and personnel in the National and Provincial Departments. The outstanding amounts (12.1 percent) to be paid to projects comprise the remaining tranches due to projects. It should be noted that projects are paid in tranches and that payment is subject to an assessment of projects and inspection of project accounts.

### **Mid-Term Review of Poverty Relief Programme**

Between May 2000 and July 2000, the National and Provincial Departments, with the assistance of the Independent Development Trust (IDT), conducted a mid-term assessment of poverty relief projects funded from the 1998/99 allocation. The assessment of 1638 projects involved site visits, interviews with beneficiaries and inspection of financial and administration records of the projects. The main findings of the mid-term assessment were that:

- The programme targeted the poor: 72 per cent of projects were in rural areas, 26 per cent were in urban areas and 2 per cent were in informal settlements.
- The programme has created employment opportunities in the short term, mostly benefiting women: 25 956 opportunities were created (women – 16 800; youth – 6 100; and men – 3 065).
- Just over half of the projects assessed had the potential to be sustainable in the long term. These projects demonstrated a high level of community participation; they were meeting the objectives of their business plans and were generally well run.
- Many of the projects faced serious constraints, including the limited capacity of participants to manage and spend the funds received, limited access to markets, and the lack of regular contact and support from NGOs and social development officials.
- The monitoring and evaluation of projects needs to be improved.

The conclusion from the Mid-Term Assessment was that, although there were positive results emerging from the Poverty Relief Programme, a concerted effort was required to address the constraints. The Minister's Provincial Review and Imbizos confirmed the findings of the Mid-Term Review.

### Medium Term Poverty Alleviation Strategy

The Mid-Term Review and the Minister's Provincial Review and Imbizos provided important lessons for developing a medium term strategy. These include:

- More time to be spent on facilitation prior to transfer of funds to projects to minimise the emphasis on money and focus community efforts on planning and organizing sustainable projects, which will meet their needs.
- Financial management capacity building should precede the transfer of funds to projects to reduce waste and to minimise conflict over resources.
- Projects must be part of a coherent programme and linked to other development initiatives such as the Integrated Sustainable Rural Development Strategy if they are to be sustainable.
- The Department has to develop an exit strategy, which has to build in the following elements:
  - Capacity building of communities and projects;
  - Marketing strategies for products produced by projects;
  - Creating links with other sectors, and bringing other institutions into neglected areas and communities;
  - Strengthening and mainstreaming social finance into all projects to inculcate the culture of savings and thus expanding the asset base

For the period 2001/2002 to 2003/2004, the Department will be implementing a more focused poverty relief programme aimed at yielding the following outputs:

- Establishment of 100 rural food production clusters of 100 households each, with an emphasis on households affected by HIV/AIDS
- Establishment of 100 community-based initiatives providing social and economic support in rural communities with high prevalence of HIV/AIDS. This will complement the Home-Based/Community-Based Care Programme discussed under Programme 4 of the Annual Report.



- Establishment of 18 urban renewal (social crime prevention) projects, focusing on developing skills, recreation and work opportunities for 500 youth per project.
- Establishment and support of 100 women’s production companies or co-operatives that focus on local economic initiatives in the service and tourism sectors.
- Creation of 100 dual or multi-purpose centres that focus on craft and daytime childcare by older persons.
- Support for the integration of the capacities of persons with disabilities into the Poverty Relief Programme.

The R203 million indicated in the MTEF to the Department for 2001/2002 has been rescheduled for the MTEF 2001/2002 – 2003/2004 to align with the business plan approved by the National Treasury.

### 5.2.2 Public–Private Partnerships

#### Non-Profit Organisations Act, 1998

The department is responsible for the implementation of the Non-Profit Organisations Act, which provides for the registration of non-profit organisations. By 31 March 2001, a total of 6857 organisations had been registered since the introduction of the Act on 1 September 1998. The trends in registration are shown in Table 4.

**Table 4: Trends in registration for NPO Act**

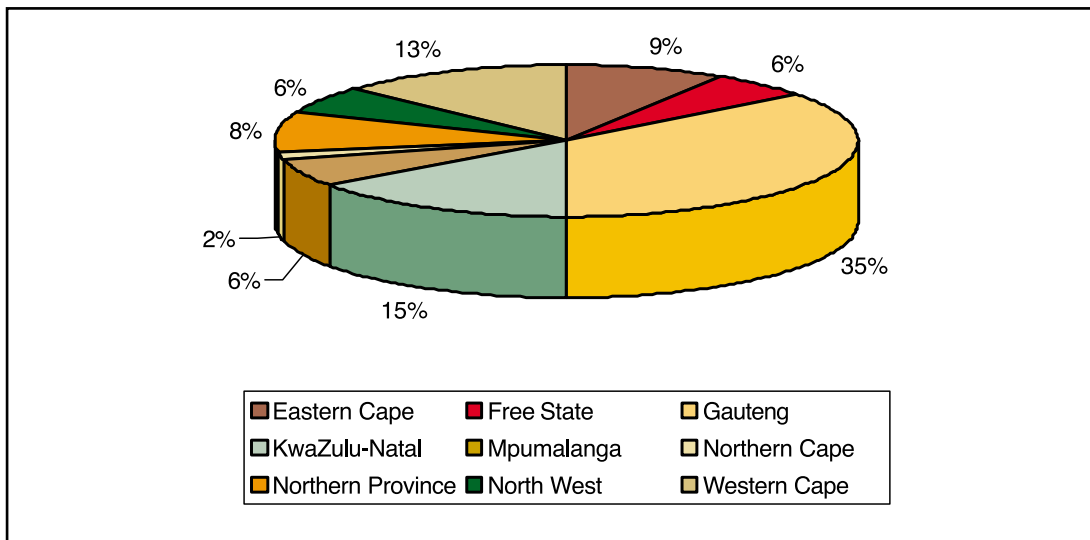
Period	Number of organizations registered
1 September 1998 to 31 March 1999	416
1 April 1999 to 31 March 2000	2234
1 April 2000 to 31 March 2001	4207

The increase in the number of registrations during the reporting period is due primarily to applications from community-based organisations benefiting from the Poverty Relief Programme and the Special HIV/AIDS allocation, as well as the requirement for all organisations formerly registered under the Fund Raising Act to re-register under the NPO Act.

Of the registered organisations, 91.5 percent of the registered organisations are voluntary associations compared to 3.5 percent trusts and 4.7 percent section 21 companies. Furthermore, of the registered organisations, 33 percent have social service objectives, 23 percent have housing and development objectives, and 22 percent have education and research objectives. The indications are that the Non-Profit Organisations Act is targeting the appropriate sector and is encouraging smaller community-based organisations to formalise their governance structures and procedures.

The distribution of registered organisations amongst the nine provinces is an area of concern. Over one-third of registered organisations are in Gauteng, with KwaZulu-Natal and the Western Cape accounting for the second and third highest proportions, respectively. Provinces such as the Eastern Cape and the Northern Province, who could benefit from the existence of Non-Profit Organisations, account for a relatively low proportion of registered organisations.

**Figure 9. Registered Non-Profit Organisations 1998 to March 2001**



The NPO Act requires the development of model documents and guidelines to encourage and support organisations to register and meet reporting requirements. A model constitution was developed and is issued to organisations upon request. Narrative and financial reporting guidelines have also been developed and issued to organisations that require assistance. In the coming year the department will focus on monitoring compliance of registered organisations with the legislation.

Another area to be intensified is the training of organisations and prospective applicants in the registration and reporting requirements. A total of 30 trainers have been trained to serve as resource and contact people in registration and reporting requirements. In the coming year they will conduct regional workshops in all nine provinces and it is planned to have trained a total of 1500 people by the end of the workshops.

#### **Subsidies to National Councils**

In terms of the Fund Raising Act, 1978 the Minister of Social Development may subsidise welfare organisations and national councils. For the year 2000/2001, fifteen national organisations received subsidies to the value of R 3 673 248. The changes in subsidies proposed by the Financing Policy were not introduced due to the problems with the Financing Policy as outlined in Programme 4. The Department will be auditing all subsidised national councils in 2001/2002 as part of the transformation programme. It should be noted that subsidies for national councils have remained static over the past three years and that the transformation programme will also consider an appropriate level of funding to national councils.

#### **International Year of Volunteerism**

The United Nations declared 2001 as International Year of Volunteerism (IYV 2001). The Department was instrumental in the establishment of a National Committee on IYV in December 2000. The Minister of Social Development is the Patron of the National Committee. Members of the committee include the South African NGO Coalition, the National Association of the Coalition of Social Services, the South African Student Volunteer Organisation and representatives from the nine provinces. Provincial Committees have been established and in Mpumalanga, Northern Cape, Western Cape and the Free State have launched programs of action to raise awareness on volunteer activities.

A national programme of action will be launched on 23 August 2001. This will be followed by a Serve-a-thon during the first week of September when 5 service centres in each province will open their doors to volunteers wishing to participate in volunteer service. A regional conference will take place during November. A national report will be incorporated into the final world report at the United Nations event scheduled in February 2002.

### 5.3 Outputs and service delivery trends

<b>Community Development and Poverty Eradication</b>		
<b>Outputs</b>	<b>Service Delivery Indicators</b>	<b>Actual Performance</b>
Effective disbursement of Poverty Relief Funds	% of allocated funds transferred to the IDT % of funds transferred by IDT to projects % funds transferred to Flagship Projects Funds target poorest communities in rural areas, peri-urban areas and informal settlements	<ul style="list-style-type: none"> <li>• All funds were transferred to IDT in accordance with cash flow schedule.</li> <li>• 86% of funds from the R120 million was paid to projects</li> <li>• 100% of amounts rolled over from 1999/2000 was spent</li> <li>• 100% of funds for Flagship Projects were transferred</li> <li>• Mid-term review shows that funds are targeted appropriately</li> </ul>
Capacity building for project participants and officials	Facilitation, planning and training for project participants in areas such as finances Appointment of contract development workers by national and provincial departments to assist project participants Training of development workers and other officials in development work	<ul style="list-style-type: none"> <li>• Expenditure in this area has been slow, but the funds were committed on the basis of business plans submitted by provincial departments. Improvements are expected in 2001/2002</li> </ul>

<p>Effective monitoring and evaluation of Poverty Relief Programme</p>	<p>All projects must be assessed prior to releasing funds                  Monthly reporting by projects against their business plan                  On-site visits to projects                  Mid-term review to be conducted on programme to identify areas to be improved                  Special audits of projects where concerns are raised about financial probity                  Quarterly progress reports to National Treasury</p>	<ul style="list-style-type: none"> <li>• Only projects with business plans and certified by Heads of Department as having been assessed were approved. Projects are assessed prior to release of further tranches.</li> <li>• Mid-Term review was conducted.</li> <li>• On-site visits by Minister, MECs and officials.</li> <li>• Special audits were conducted on 8 national projects</li> <li>• Quarterly progress reports submitted to Treasury.</li> <li>• New monitoring and evaluation system being designed with assistance of UNDP</li> <li>• Monthly reporting of projects is not done regularly. Format for reporting has been simplified.</li> </ul>
<p>Medium term poverty alleviation strategy</p>	<p>Strategy must be implemented over MTEF period, a realistic budget and measurable indicators. Strategy must link with critical areas of HIV/AIDS, food security, the ISRDS and Urban Renewal</p>	<ul style="list-style-type: none"> <li>• Business plan to fund strategy was submitted and approved by National Treasury. Strategy addresses the critical areas</li> </ul>
<p><b>Public-Private Partnerships</b></p>		
<p><b>Outputs</b></p>	<p><b>Service Delivery Indicators</b></p>	<p><b>Actual Performance</b></p>
<p>Registration of organizations in terms of NPO Act</p>	<p>Number of applications received and number processed                  Number of applications registered                  Average time taken to register</p>	<ul style="list-style-type: none"> <li>• 6747 applications received. Of these 1469 did not comply with requirements for registration.</li> <li>• 4207 organisations were registered, reflecting an 88% increase in registrations over the previous year.</li> <li>• Average time taken to register is two months from date of application.</li> </ul>

Inquiry service to applicants on NPO matters	Average number of telephone enquiries per month Average number of face-to-face enquiries per month	<ul style="list-style-type: none"> <li>• Average of 2700 telephone enquiries dealt with per month</li> <li>• Average of 360 face-to-face enquiries dealt with per month</li> </ul>
Capacity building of organisations on NPO Act	Training provided to organisations on the NPO Act Guidelines to assist organisations with their reporting	<ul style="list-style-type: none"> <li>• 30 trainers trained to serve as trainers and resource people</li> <li>• Guidelines for reporting have been developed and distributed to registered organisations</li> </ul>
Financial support to national councils	Transfer payments to national councils in accordance with Public Finance Management Act and Fund Raising Act	<ul style="list-style-type: none"> <li>• All 15 councils who received subsidies in 1999/2000 received subsidies in 2000/2001.</li> <li>• Transfer payments totalling R3 673 248 were made</li> </ul>
Co-ordinating UN International Year of Volunteerism and country report	Department provides leadership, financial and technical assistance to the International Year of Volunteerism	<ul style="list-style-type: none"> <li>• Minister has been appointed Patron of the IYV. Role-players in volunteer field (South African Students Volunteer Organisation, the Volunteer Centre, UNDP and national and provincial departments of social development) are represented on the co-ordinating committee. Initial launch was held in December 2000. Research on volunteerism is in process.</li> </ul>

## 5.4 Transfer Payments

Name of Institution	Amount Transferred R'000	Purpose	Compliance with section 38 (1) (j) of the PFMA
Independent Development Trust	*156 983 000	Poverty Relief	Complied
South African Council on Alcoholism (SANCA)	821 430	Subsidy	Complied
National Council for Child and Family Welfare	488 099	Subsidy	Complied
National Institute for Crime Prevention and Reintegration of Offenders (NICRO)	437 237	Subsidy	Complied
SA Federation for Mental Health	385 029	Subsidy	Complied
Family & Marriage Society of South Africa (FAMSA)	261 183	Subsidy	Complied
SA Council for the Aged (SACA)	229 890	Subsidy	Complied
Afrikaanse Christelike Vroue Vereeniging (ACVV)	226 135	Subsidy	Complied
Diakonale Dienste	178 645	Subsidy	Complied
Suid-Afrikaanse Vroue Federasie (SAVF)	143 839	Subsidy	Complied
DEAFSA	124 804	Subsidy	Complied

National Council for Persons with Physical Disabilities	85 517	Subsidy	Complied
South African National Epilepsy (SANEL)	81 126	Subsidy	Complied
AFM Welfare Council	79 939	Subsidy	Complied
Die Ondersteuningsraad	78 939	Subsidy	Complied
National Cancer Association	52 443	Subsidy	Complied

\*The total transfer payments for Poverty Relief was R 157 678 000. Of this R 695 000 was transferred to the Provinces for the Flagship Programme.

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## **PROGRAMME 6: POPULATION AND DEVELOPMENT**

### **6.1 Aim**

*To facilitate changes to the determinants of South Africa's population trends, so that these trends will support sustainable development in the country and Southern Africa.*

### **6.2 Policy Developments**

Programme 6 includes:

- Population and Development Research
- Population and Development Strategy
- Policy Implementation Support

During the year under review, the Chief Directorate: Population and Development (formerly the National Population Unit) focused on the critical development issues of poverty and HIV/AIDS. It is important to note that the Chief Directorate is required to provide policy and technical support on population issues to all government departments.

The following major projects were undertaken under Programme 6 during the 2000/01 financial year:

#### **6.2.1 Inter-Governmental Review of Population Function**

The National Population Policy adopted by Government in 1998 established national and provincial population units within the departments responsible for welfare functions. The functional area of 'population development' is a concurrent national and provincial legislative competence, and the population policy encourages collaboration between the various population units. The main function of the population units is to facilitate collaboration to ensure the implementation of the population policy, and to monitor and evaluate its progress.

The Social Development MINMEC commissioned an inter-governmental review of the population function. The purpose of the review was to assess the inter-governmental arrangements and to make recommendations on appropriate structural arrangements for the population function.

The review covered, *inter-alia*, the following key areas:

- The structure of the intergovernmental relations for the population function.
- Structural arrangements that would best support population units to perform the functions they are responsible for, including comparable South African and international models.
- An analysis of documentation on intergovernmental relations for the population function was also undertaken, and international best practices studied.

The key findings and recommendations included:

- The responsibility for population and development policy should be vested with the national sphere of government.
- Coordination of population policy and implementation between national and provincial spheres of government should take place at intergovernmental Ministerial and senior management level, with participation of the Chief Directorate: Population and development and Heads of Department for Social Development in provinces.
- The recommendations were adopted by MINMEC and the Chief Directorate: Population and Development will implement the findings, set national priorities for the population function and provide strategic leadership or direction to implementing agencies including provincial population units for policy implementation.

### **6.2.2 Assessment of implementation of Population Policy**

The Population Policy for South Africa, seeks to integrate population issues into development planning. The Department of Social Development is responsible, *inter alia*, for monitoring the implementation of the policy.

The Department conducted a survey on the implementation of the Population Policy by national government departments during the latter half of the year 2000. The purpose of the survey was to assess the contribution of national government departments/institutions to the implementation of the major strategies of the Population Policy for South Africa through their various line function programmes.

The survey covered 35 national government departments, and eighteen responded. The survey found that departments in most sectors were supporting most of the major strategies of the population policy. Many projects were conceived during 1998 to 2000, but implementation was slow due to limited capacity. One area to which substantial funds were allocated by departments, but not spent, was in information systems and coordination activities aimed at integrating population and development planning.

Subsequently, the Department of Social Development has commenced a project (jointly with Stats SA, GCIS and the UNFPA) to strengthen population and development information systems in government, on the basis of the needs of government and non-governmental users of such systems. User needs were comprehensively surveyed in all three spheres of government, and non-governmental sectors. The survey covered all national and provincial departments and one-third of local authorities selected randomly.

It is envisaged that a core system will be established in the Department to serve as node around which other departments' systems can be strengthened and supported.

### 6.2.3 Enhancing information to respond effectively to HIV/AIDS

In response to the Priorities and Plan of Action of the Social Sector Cluster in 2000, the Department placed emphasis on enhancing research and information to respond to HIV/AIDS. The following initiatives commenced in 2000/2001:

- The Human Sciences Research Council (HSRC) was commissioned to conduct a situation analysis in key development sectors on the impact of HIV infection and AIDS mortality on population trends and the structure of the population, as well as to develop indicators to measure the impact of HIV/AIDS on those sectors. The project will be completed during 2001.
- Towards the end of 2000, sixteen case studies of HIV/AIDS projects countrywide were documented to identify best practices as a basis for designing strategic interventions on HIV/AIDS. The research information would also be utilised as a basis for designing advocacy and population IEC messages and materials in suitable formats for specific priority target groups. The “Best Practice Research Volume” will be compiled and published during 2001.
- In addition, technical research support on HIV/AIDS has been provided to the Departments of Education, Health, Agriculture, as well as internally to other programmes in Social Development. This support, which will be extended in 2001/02, includes the following: research-based information to support programmes/projects aimed at children infected and affected by HIV/AIDS; development of a rapid appraisal research tool for assessing existing provincial Home Community-Based Care projects; preparations of tender specifications for conducting a situation analysis on the status of children infected and affected by HIV/AIDS in six identified areas in selected provinces; technical advice on HIV/AIDS research to the National Life Skills Programme.

### 6.2.4 Human Resource Development and training on HIV/AIDS

A Primary HIV/AIDS Capacity Development Course for Government Planners was developed and will be launched at the University of North West on 11 July 2001. The project is a joint initiative of the Department of Social Development, the South African Management Development Institute, and the Departments of Health, Public Service and Administration, Provincial and Local Government, and the South Africa Local Government Association, in partnership with the United Nations Population Fund (UNFPA).

The aims of the project are two-fold:

- (a) to create an awareness of the impact of the HIV/AIDS epidemic on policies, programmes and service delivery; and
- (b) to develop basic skills related to analysing and interpreting population data and projections. These would enhance the mainstreaming of HIV/AIDS issues in policy-making, planning and service delivery in all spheres of government. Local universities in all provinces have been involved to offer short courses on HIV/AIDS. It is estimated that 1200 government officials will be trained through this project over a three-year period

#### **6.2.5 State of South Africa's Population Report 2000**

The Minister released the first report on the State of South Africa's Population in September 2000. The overall theme of the report is Population, Poverty and Vulnerability. The Report presents a comprehensive overview of the most important population challenges facing South Africa today, and their implications. The following six topical issues are covered: Globalisation, Population and Vulnerability; Migration and Unemployment; Population and Environment; Fertility Transition and the Status of Women; Sexual and Reproductive Health and Rights; and HIV/AIDS and its Demographic, Economic and Social Implications. Since its release, the Report has been widely used as a source of population and development information and as an advocacy tool, for purposes of policy making, planning and training. Provinces hosted workshops on the report and its implications for provincial services and development.

#### **6.2.6 United Nations Commission on Population and Development (UNCPD)**

The Department represented South Africa at the 31st and 32nd sessions of the UNCPD during the financial year. The themes for the respective sessions were "Population, Gender and Development" and "Population, Environment and Development". The impact of HIV/AIDS on gender equality and integrated development planning was highlighted at these sessions. At the 32nd session in March 2001, South Africa participated in a panel discussion on population, environment and development and serves as the Vice-Chairperson on the bureau of the Commission for 2001-2002. The Department's participation at the UNCPD has enabled the Department to make a substantial contribution to the preparatory work for the World Summit on Sustainable Development to be held in South Africa in 2002.

### 6.2.7 United Nations Population Fund (UNFPA)

As the primary government partner for the UNFPA Country Programme (1998-2001), the Department led the Mid-Term Review of the Country Programme. Over the three-year period, the Country Programme provided capacity building in critical areas identified in the Programme of Action of the International Conference on Population and Development (ICPD, 1994). The Mid-Term Review identified the need for greater emphasis on the impact of HIV/AIDS on young people and this will serve as the basis of the UNFPA's programme for 2002 onwards. National and provincial departments, Non-Governmental Organisations and universities participated in the review.

### 6.3 Outputs and service delivery trends

<b>Population and Development Research</b>		
<b>Outputs</b>	<b>Service Delivery Indicators</b>	<b>Actual Performance</b>
Research and information on HIV/AIDS	Situation analysis of key development sectors and indicators to assess progress with HIV/AIDS programmes	• Work in progress and to be completed and published in 2001/2002
	Volume of good practice case studies on HIV/AIDS to guide government departments in programme planning	• 16 case studies were identified covering different types of interventions in different provinces. Case studies to be published in 2001/2002
Migration research for South and Southern African Region	Comprehensive database on migration research	• First phase is completed: Networking with SADC countries and research activities have been identified

<p>Population Resource Centre</p>	<p>Centre collects and disseminates information on population and development to government departments, local authorities, public sector bodies, NGOs, universities and the general public</p>	<ul style="list-style-type: none"> <li>• 150 subscribers to the electronic information service (Government departments, NGOs, academic and research institutions, international development agencies)</li> <li>• Website created in 2000/2001 contains 60 pieces on information, mostly research commissioned by the Department)</li> <li>• 500 publications procured during the year, mostly donations</li> <li>• Centre collects an average of 40 electronic items per month covering HIV/AIDS, poverty, development, reproductive health, statistics</li> </ul>
<p><b>Population and Development Strategy</b></p>		
<p><b>Outputs</b></p>	<p><b>Service Delivery Indicators</b></p>	<p><b>Actual Performance</b></p>
<p>Report on State of South Africa's Population</p>	<p>Report should identify emerging population and development issues that impact on sustainable development</p>	<ul style="list-style-type: none"> <li>• State of South Africa's Population Report with the theme of Population, Poverty and Vulnerability, was produced and launched in September 2000. Report has been distributed widely and followed up with provincial launches</li> </ul>
<p>Strategies for promoting reproductive health and rights of women</p>	<p>Multi-sectoral intervention focusing on women in rural areas</p>	<ul style="list-style-type: none"> <li>• 3 pilot projects initiated jointly with Department of Water Affairs &amp; Forestry and Planned Parenthood Association of SA. Mid-term review of pilots completed and implementation planning is in progress</li> </ul>

Monitoring implementation of Population Policy	35 national departments to be surveyed annually	<ul style="list-style-type: none"> <li>• First survey was conducted and 18 departments responded. Departments have attempted to incorporate population issues into their strategies, but implementation is slow.</li> </ul>
Review of Inter-Governmental institutional arrangements	Independent review to clarify roles of national and provincial population units and strategic direction of population function	<ul style="list-style-type: none"> <li>• Review was completed by 31 March 2001, but consideration of recommendations was deferred to first MINMEC meeting in June 2001.</li> </ul>
Co-ordination of Mid-Term Review of UNFPA Country Programme	Participation of cross-section of stakeholders in review process so that Country Programme reflects national priorities	<ul style="list-style-type: none"> <li>• National and provincial departments, NGOs and universities participated in review and recommendations have been taken forward by UNFPA</li> </ul>
<b>Population and Development Research</b>		
<b>Outputs</b>	<b>Service Delivery Indicators</b>	<b>Actual Performance</b>
Training national and provincial officials in population issues	HIV/AIDS curriculum to train 1200 government planners	<ul style="list-style-type: none"> <li>• Curriculum was finalized by March 2001, for launch on 11 July (World Population Day). Universities contracted in each province to deliver training programme over three years.</li> </ul>
Advocacy campaigns	1 major campaign per year to raise awareness of population issues	<ul style="list-style-type: none"> <li>• World Population Day commemoration in KwaZulu-Natal in July 2000, attended 280 people from rural communities, parliamentarians, government officials and civil society.</li> <li>• Co-hosted Joint Population Conference in Eastern Cape in October 2000, on impact of HIV/AIDS on provincial services</li> </ul>







PART 4

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**Audit Reports,  
Financial Statements and  
Other Financial Information**



NATIONAL DEPARTMENT OF SOCIAL DEVELOPMENT

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## **Annual Financial Statements**

31 March 2001

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## **MANAGEMENT REPORT for the year ended 31 MARCH 2001**

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

### **1. General review of the state of financial affairs**

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

- There have been no irregularities involving management or employees that have a significant role in the accounting and internal control systems or that could have material effect on the financial statements.
- We have made available to the Office of the Auditor-General all books of accounts and supporting documentation.
- The financial statements are free of material misstatements, including omissions.
- Except as disclosed, no change in the basis of accounting took place during the financial year.
- All figures disclosed in the statements reflect the activities of the Department of Social Development and do not include income or expenditure of any other entity, except as disclosed.
- Management is not aware of any accounts, transactions or agreements not fairly described and properly recorded in the financial records.
- Except as provided for or as noted in the financial statements, there were no material contingent liabilities.
- Except as noted in the statements, management is not aware of any expenditure projects entered into with private contractors or other institutions without a legal contract.

## **2. Services rendered by the Department**

### **2.1 Tariff policy**

None

### **2.2 Free services**

None

## **3. Risk management and fraud prevention**

A risk assessment for the department is being undertaken and should be completed by the end of June 2001.

An Anti-Corruption and Fraud Prevention policy has been developed along with an Anti-Corruption and Fraud Response Plan. Once the risk assessment has been finalised by the end of June 2001, the Internal Audit Coverage Plan will be developed as well as a Fraud Prevention Plan. The purpose of the Anti-corruption and Fraud Response Plan is to support the Anti-Corruption and Fraud Prevention Policy and is not a separate document.

## **4. Discontinued activities/activities to be discontinued**

Sub-Programme 3: Strategic Planning was moved to Programme 1: Administration due to the fact that the work done under this programme was regarded as a staff function and not a line function.

## **5. New/proposed new activities**

The Programme: Welfare Information Service was created in the 2000/01 financial year. The activities Information Systems and Information Management, which resided under Programme 1: Administration were moved to this Programme due to the restructuring of the Department.

## 6. Events after the accounting date

According to my knowledge, no events occurred after the accounting date that could materially influence the department's state of financial affairs.

## 7. Other

### 7.1 State of Expenditure as at the end of the 2000/01 financial year:

An initial amount of R 348,706 million was allocated to the Department for the 2000/01 financial year. Included in this amount, were the following special allocations:

- (a) R 50 million for the Improvement of the Social Security System;
- (b) R18,544 million for the Child Support Implementation Grant Programme;
- (c) R 6,8 million for the HIV/AIDS programme; and
- (d) R 203 million for the Poverty Alleviation programme.

From the R 83,828 million requested to be rolled over from the savings of R127,180 million in the 1999/2000 financial year, only R 63,718 million was approved by the National Treasury.

The amount of R 63,718 million includes the following:

Purpose	Amount R'000
Child Support Implementation Grant	847
Improvement of the Social Security System	21 300
Poverty Alleviation Programme	37 678
Secure Care	1 223
Criminal Justice System	1 034
Operational cost	1 636
Total roll-over funds	63 718

In the Adjustments Estimate for the 2000/01 financial year, the following amounts were additionally voted and suspended:

- (a) R 50 million for the Disaster Relief Fund;
- (b) R 2,3 million for the Victim Empowerment programme (Suspended from the Vote of SAPS);
- (c) R 1,541 million for the Improvement of Conditions of Service for the salary increase with effect from 1 July 2000;
- (d) An amount of R 83 million was suspended from the initial Poverty Alleviation allocation of R 203 million for the 2000/01 financial year.

The **final** allocation to the Department of Social Development for the 2000/01 financial year amounts to **R 383,265 million**.

The actual expenditure at 31 March 2001 was R 382,046 million, which reflects a 99,7% spending on the final voted amount of R 383,265 million. Included in this expenditure figure, is the expenditure for the major projects such as the Secure Care, Improvement of the Social Security System, Child Support Implementation Grant, Poverty Alleviation, Criminal Justice System, the Flagship Programme and the Victim Empowerment Programme.

The expenditure pattern per programme as at 30 March 2001, is as follows:

Programme	Percentage of Allocation Spent
1. Administration	100
2. Social Security	101
3. Welfare Information Service	90
4. Developmental Social Welfare Services	90
5. Social Development	100
6. National Population Unit	99
7. Auxiliary and Associated Services	96
Total Budget	99.7



If the funds and the expenditure for the large special projects are excluded, the state of the Department's expenditure as at 30 March 2001 will reflect the following changes:

- The percentage spent by the Department for the 2000/01 financial year will decrease from 99,6% to 99,1%.
- The percentage spent by Programme 2 will decrease from 101% to 100% due to an over expenditure on the conditional grant amount of R 71.3 million allocated.
- The percentage spent by Programme 4 will increase from 90% to 96%.
- The percentage spent by Programme 5 will remain on 100% to spending.

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### State of Expenditure per Special Project:

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Special project	Voted funds	Actual Expenditure	Deviation	Percentage spent
Child Support Implementation Grant	19 391	19 035	356	98%
Improvement of the Social Security System	71 300	73 128	(1 828)	103%
Criminal Justice System	1 034	1 034	0	100%
Secure Care	1 223	231	992	19%
Women (Flagship)	1 612	2 555	(943)	158%
Victim Empowerment Programme	2 300	535	1 765	23%
HIV/AIDS	6 800	6 650	150	98%
Poverty Alleviation	157 678	157 678	0	100%

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## **7.2 Improvement to the financial management and internal control capacity of the Department:**

The Department has taken the following steps to improve its financial management and internal control:

- (a) The Chief Financial Officer has been appointed to take office on 1 June 2001.
- (b) As part of the conditional grant for improving financial management in the National and Provincial Departments, a Chartered Accountant was appointed in May 2000 to provide assistance to the Department with the implementation of the Public Finance Management Act.
- (c) The finance and procurement functions were strengthened in the restructuring of the Department. Management posts have been created for Financial Planning and Procurement functions. An additional Assistant Director was appointed to coordinate the monitoring and reporting on conditional grants to the Provincial Departments in terms of the Division of Revenue Act.
- (d) The in-year monitoring and reporting system in the Department has further been improved to ensure effective, efficient and timeous reporting on financial information. The Department, in collaboration with the National Treasury has also started with the process to rollout the Vulindlela system to all the managers (Directors and upwards) in the Department.
- (e) The Departmental Audit Committee appointed during September 1999 met regularly during the year, in addition to special meetings to deal with specific matters such as the reports requested by SCOPA; the Poverty Relief Programme; Risk Assessment; and the Financial Management Improvement Programme. The Audit Committee provided invaluable guidance to the Department during the year.
- (f) The Department established an Internal Audit function in October 2000, with the appointment of the Deputy Director: Internal Audit. The Director: Internal Audit was appointed in February 2001.

- (g) The Department has also appointed an assistant Director: Internal Control during February 2001, to strengthen the internal control functions in the Department.
- (h) The departmental implementation plan for the PFMA was developed and submitted to the National Treasury by the end of August 2000, as required and is being amended to make provision for the additional matters to attend to during the 2001/02 financial year.

### **Approval**

The attached annual financial statements set out on pages 122 to 137 have been approved by the Accounting Officer.



Ms A J Bester  
Director-General  
Date:

## DEPARTMENT OF SOCIAL DEVELOPMENT

### ANNUAL REPORT: AUDIT COMMITTEE Financial Year 2000/ 2001

#### 1. Objective

The objective of the report is to inform Parliament on the effectiveness of internal controls within the Department of Social Development.

#### 2. Background

All Government Departments are faced with the task of implementing the requirements of the Public Finance Management Act (Act 1 of 1999). The PFMA adopted an approach of financial management that focuses on outputs and responsibilities. The PFMA is aimed at:

- (a) modernising the system of financial management;
- (b) enabling public sector managers to manage, but at the same time be more accountable;
- (c) ensuring the timely provision of quality information; and
- (d) eliminating waste and corruption in the use of public assets.

One of the requirements in terms of Section 38 of the Public Finance Management Act is that Accounting Officers should ensure that the Department has and maintains:

- (i) effective, efficient and transparent systems of financial and risk management and internal control,
- (ii) an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective.

### 3. Content

The financial year 2000/2001 marked a significant move to strengthen internal controls within the Department of Social Development. The following bear testimony to the above:

#### 3.1 The Audit Committee

The Audit Committee was established during the September 1999. The Committee is composed of the following members:

*Mr. G. Nika*

Mr. Nika is the Chairperson of the Audit Committee. He is the Executive Manager: Finance at the Development Bank of Southern Africa.

*Mr. J. Hattingh*

Mr. Hattingh is the Manager: Corporate Audit Services at the CSIR.

*Mr. Nick Gerhardt*

Mr. Gerhardt has his own consultancy business and lecture at the University of Pretoria on a part time basis. His speciality is Internal Auditing.

*Mr. D.P. van der Nest*

Mr. Van der Nest served on the Audit Committee as a representative of the National Treasury.

*Ms. A. Letsebe*

Ms. Letsebe is a Deputy Director-General in the Office of the Presidency responsible for the Cabinet Office.

*Mr. J. Grobbelaar*

Mr. Grobbelaar serves on the Committee as an observer for the Office of the Auditor-General.

The Audit Committee members have diverse skills and knowledge. The Audit Committee meets on a quarterly basis. The Accounting Officer and top management of the Department are also members of the Audit Committee. The following issues, among others, are discussed in such meetings:

- Performance of the Department for the quarter.
- Assessment of the effectiveness of the Directorate: Internal Audit
- Review of audit reports.

The Audit Committee also held special meetings as and when necessary during the financial year. The special meetings emanated from a number of issues that needed the Audit Committee's immediate assistance. These include questions raised by the Standing Committee on Public Accounts, the Auditor-General's report, guidance on the development of the tender specifications for the risk assessment process etc.

### **3.2 Risk Management**

Risk Management is an important aspect in enhancing the effectiveness of the internal controls. The Department embarked on a risk assessment process to identify critical risk areas that may have serious adverse effects on the Department. The services of Deloitte and Touche Consortium were acquired to perform the assignment. The process has been ongoing as at the end of the financial year. The result of the risk assessment will, however, inform the Department on where to concentrate audit efforts in order to strengthen internal controls, which will ensure achievement of objectives by the Department. This will be followed by the identification of those policies and procedures that have a direct impact on the internal control system. The Department's Risk Profile will be a live management document and will be reviewed annually to reconfirm the risks. It should also be mentioned that the risk assessment assignment was co-sourced to Deloitte and Touche Consortium. The reason for this was to get the consultants to work with the Internal Auditors to ensure transfer of skills to the Department's Internal Auditors.

### **3.3 Internal Audit**

The Internal Audit Function was established within the Department through the appointment of the Director and the Deputy Director: Internal Audit during February 2001 and October 2000 respectively. Internal Audit will assist the Department to

accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal Audit will therefore provide management and the Audit Committee with the analysis, appraisals, recommendations and information concerning the activities reviewed.

### **3.4 Internal Control**

The Internal Control Division was established within the Directorate: Finance and Procurement Administration during February 2001 through the appointment of the Assistant Director: Internal Control. The purpose of the Unit is to review departmental policies and assist managers within the Department with the implementation of internal controls. The Unit is also responsible for ensuring that corrective action is taken on deficiency findings reported by Internal Audit and the Office of the Audit-General.

### **3.5 Financial Management**

The Department appointed Financial Managers from Deloitte and Touche Consortium for the National and seven Provincial Departments. The Financial Manager was appointed with a view to strengthen Financial Management within the Department particularly with regard to Conditional Grants. Significant improvement was noted with regard to budgeting, expenditure monitoring and reporting. The improved financial management resulted in the Department spending 99,7% of its budget. This is a great improvement given the fact that the Department drastically under spent its budget during the previous financial year.

### **3.6 Anti-Corruption and Fraud Prevention**

The Department is in the process of developing an Anti-Corruption and Fraud Prevention Strategy. The strategy will be an important management tool in dealing with corruption and fraud within the Department. It is unfortunate that this process was started a month before the end of the financial year after the appointment of the Director: Internal Audit.

### **3.7 Compliance to policies and procedures**

The Auditor-General's report for the 1999/2000 financial year reported non-compliance to the National Treasury and State Tender Board procedures. To address this problem, training in financial management was arranged for all senior Managers within the Department. A remarkable improvement was noted in this regard.

### **3.8 Strategic and Business Planning**

The Department has a Strategic Plan. Each Component within the Department had its own Business Plan for the financial year 2000/2001. The Department managed to deliver on many outputs in the components' Business Plans.

## **4. CONCLUSION**

The Audit Committee would like to congratulate the Director-General, Ms. Angela Bester, the management and all officials of the Department for the improved performance during the financial year. The Committee would also like to take this opportunity to thank the Director-General and management of the Department of Social Development for their support and co-operation throughout the year.

GLADMAN NIKA  
CHAIRPERSON





## REPORT OF THE AUDITOR–GENERAL ON THE FINANCIAL STATEMENTS OF VOTE 35

### Social Development for the Year Ended 31 March 2001

#### 1. Audit Assignment

The financial statements as set out on pages 128 to 137, for the year ended 31 March 2001, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements and the compliance with relevant laws and regulations, applicable to financial matters, based on the audit.

#### 2. Regularity Audit

##### 2.1 Nature and scope

##### 2.1.1 Financial audit

The audit was conducted in accordance with generally accepted government auditing standards which incorporate generally accepted auditing standards. These standards require the audit to be planned and performed to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Due to the nature of the prescribed accounting practice, the audit was performed within a financial reporting framework which does not at this stage necessarily result in a fair presentation of the results of operations, financial position and cash flows for any financial period.

I believe that the audit provides a reasonable basis for my opinion.

#### **2.1.2 Compliance audit**

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

### **2.2 Audit opinion**

#### **2.2.1 Financial audit**

In my opinion, the financial statements fairly present, in all material respects, the financial position of the department at 31 March 2001 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice and in the manner required by the relevant act.

#### **2.2.2 Compliance audit**

Based on the audit work performed, nothing has come to my attention that causes me to believe that material non-compliance with laws and regulations, applicable to financial matters, has occurred.

### **3. Emphasis of Matter**

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

#### **3.1 Unauthorised expenditure, R1,253 million**

The department reported the overspending for the year ended 31 March 2001 of a main division, namely programme 2: social security, within the vote to the amount of R1,253 million. This was mainly because SOCPEN maintenance expenditure was

higher than anticipated due to critical minor systems adjustments to the database. Failure in the system will have major national consequences.

The expenditure is regarded as unauthorised in terms of section 34(a) of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

### **3.2 Financial management**

With reference to paragraph 3.2 on page 3 of the previous report [RP 145/2000], progress has been made in respect of financial management. A chief financial officer was appointed with effect from 1 June 2001 and a director: internal audit with effect from 1 March 2001 was appointed.

### **3.3 Internal control**

As mentioned in paragraph 3.1 on page 2 of the previous report [RP 145/2000], the department focused its attention on the suspense accounts and cleared most of it during the 2000-01 financial year.

### **3.4 Budget process: Unspent funds**

With reference to paragraphs 3.3.1 and 3.3.2 on pages 3 and 4 of the previous report [RP 145/2000], the department made significant progress with regard to unspent funds. This resulted in a surplus of only R1,219 million (0,3%) to be surrendered in comparison with R127,180 million (24,1%) of the previous year.

### **3.5 Internal audit department and audit committees**

#### **3.5.1 Internal audit**

The internal audit component only came into operation during the 2001-02 financial year. Therefore no reliance could be placed on the work of the internal audit unit.

#### **3.5.2 Audit committee**

An audit committee has been established during September 1999 in accordance with the Public Finance Management Act, 1999 (Act No. 1 of 1999). The audit committee held five meetings and is functioning in accordance with its mandate.

#### **4. Audits at the Nine Provinces**

This report does not include the audit findings at the nine provincial departments of social development, details of which appear in the separate reports to the provincial legislatures.

#### **5. Appreciation**

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



S A FAKIE  
Auditor-General

Pretoria  
13/08/2001

## **STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 MARCH 2001**

### **1. Basis of accounting**

The financial statements have been, unless otherwise indicated, prepared on the historical cost basis in accordance with the following policies which have been applied consistently in all material respects.

#### **(a) Underlying assumptions**

The financial statements have been prepared on the cash basis of accounting. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. This basis of accounting measures financial results for a period as the difference between cash receipts and cash payments.

However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999) and the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act.

#### **(b) Revenue**

Revenue of the State and/or departmental receipts are paid over to the principal receivers of revenue. Unexpended voted funds are surrendered to the National/Provincial Revenue Fund.

#### **(c) Expenditure**

The income statement includes both current and capital expenditure. Unauthorised expenditure is not accounted for as expenditure until such expenditure is either authorised by Parliament, recovered from a third party, or funded from the following year's appropriation.

**(d) Assets**

Tangible assets (fixed assets, moveable assets and inventories) are written off in full when they are paid for and are accounted for as expenditure in the income statement. The balance sheet therefore excludes physical assets unless stated otherwise.

**(e) Receivables and payables**

Receivables and payables are not normally recognised under the cash basis. They are, however, included in the balance sheet where they arose from cash payments, which are recoverable, and cash receipts which are due to either the National Revenue Fund or another party.

**2. Comparative figures**

The comparative figures shown in these financial statements have been restated to cater for the restructuring of the Department over the past year.

**3. Unauthorised, irregular, and fruitless and wasteful expenditure**

Unauthorised, irregular, and fruitless and wasteful expenditure is treated as a current asset in the balance sheet until such expenditure is either recovered, authorised by Parliament, or set off against future voted funds.

**4. Debt write-off policy**

The debts written off during the 2000/2001 year were dealt with in terms of Treasury Regulation 11.4.1 and the directives issued by the National Treasury in terms of the Public Finance Management Act, 1999.

## INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2001

(All figures R'000 unless otherwise indicated)

<u>INCOME:</u>					
Previous year	Actual	Note	Actual	Voted amount	Variance Over/(under) collection
	Voted funds				
	443,534 Current year	1	383,228	383,265	-37
	187 Other receipts	2	260	0	260
	<u>443,721</u> Total income		<u>383,488</u>	<u>383,265</u>	<u>223</u>
			Actual	Voted amount	Variance Under/(over) expenditure
	399,697 <u>EXPENDITURE</u>		382,046	383,265	1,219
	122 <u>INCOME TRANSFERRED TO REVENUE</u>		271	0	-271
	<u>399,819</u>		<u>382,317</u>	<u>383,265</u>	<u>948</u>
			Actual		
	NET SURPLUS FOR THE YEAR				
	65 Income transferable to Revenue Fund	3	-11		
	43,837 Voted funds to be surrendered to Treasury:		1,182		
	<u>43,902</u> Surplus to be surrendered		<u>1,171</u>		
	<u>EXPENDITURE PER PROGRAMME</u>				
	31,143 Programme 1: Administration		38,358	38,262	-96
	111,707 Programme 2: Social Security		148,370	147,117	-1,253
	1,341 Programme 3: Welfare Information Service		1,552	1,716	164
	34,476 Programme 4: Social Welfare Service		21,901	24,225	2,324
	212,477 Programme 5: Social Development		165,180	165,203	23
	7,710 Programme 6: Population Unit		6,368	6,423	55
	888 Programme 7: Auxiliary & Associated Services		307	319	12
	-45 Theft and losses	9	10	0	-10
	<u>399,697</u>	4	<u>382,046</u>	<u>383,265</u>	<u>1,219</u>
	<u>EXPENDITURE PER STANDARD ITEM</u>		Actual		
	30,877 Personnel expenditure		34,102		
	8,310 Administrative expenditure		12,964		
	3,696 Inventory		4,534		
	11,380 Equipment	5	4,925		
	122,877 Professional and special services	6	107,872		
	222,131 Transfer payments	7	217,283		
	426 Miscellaneous	8	366		
	<u>399,697</u>		<u>382,046</u>		
	Previous year actual	<u>ECONOMIC CLASSIFICATION OF EXPENDITURE</u>	Current year actual	Current year % of total	
	523 Capital expenditure		2,945	0.8%	
	177,043 Current expenditure		161,819	42.4%	
	222,131 Current transfers		217,282	56.8%	
	<u>399,697</u> Total		<u>382,046</u>	<u>100%</u>	

### PRIOR YEAR EXPENDITURE ALLOWED DURING CURRENT YEAR

Previous year actual	Reason(s) why previously disallowed	Nature of expenditure	Actual
	Flagship		914
	Membership fees to International Organisations		613
	Total		<u>1,527</u>

## NOTES TO THE INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2001

(All figures R'000 unless otherwise indicated)

	Actual	Adjusted Estimate	Variance Over/(under)
<b>1 Voted funds</b>			
Current year	383,228	383,265	-37
<b>2 Other receipts</b>			
<b>Description</b>	<b>Actual</b>	<b>Adjusted Estimate</b>	<b>Variance Over/(under) collected</b>
	<b>260</b>	<b>0</b>	<b>260</b>
Commission on insurance	13	0	13
Parking	16	0	16
Interest collected on debt	8	0	8
Study debt	21	0	21
Miscellaneous	202	0	202
<b>3 Income transferable to Revenue Fund</b>			
<b>Description</b>	<b>Actual</b>		
Transfers i.r.o. previous year (1999/2000)	32		
Transfers i.r.o. current year (2000/2001)	239		
<b>Sub total - (to agree with Income Statement)</b>	<b>271</b>		
Current year transfers outstanding (2000/2001)	-11		
<b>Total</b>	<b>260</b>		
<b>4 Expenditure per programme and explanation of material differences</b>			
	<b>Actual</b>	<b>Voted</b>	<b>Variance</b>
<b>Special Functions</b>	<b>10</b>	<b>0</b>	<b>-10</b>
Thefts and losses	10	0	-10
<b>Programme 1: Administration</b>	<b>38,358</b>	<b>38,262</b>	<b>-96</b>
Sub programme: Minister	849	518	-331
Sub programme: Management	2,866	2,673	-193
Sub programme: Corporate Services	34,643	35,071	428
<b>Programme 2: Social Security</b>	<b>148,370</b>	<b>147,117</b>	<b>-1,253</b>
Sub programme: Insurance Programme	524	769	245
Sub programme: Social Assistance Programme	144,858	143,038	-1,820
Sub programme: Administration	2,988	3,310	322
<b>Programme 3: Welfare Information Service</b>	<b>1,552</b>	<b>1,716</b>	<b>164</b>
Sub programme: Information Management	542	543	1
Sub programme: Information Systems	999	1,159	160
Sub programme: Administration	11	14	3
<b>Programme 4: Developmental Social Welfare Services</b>	<b>21,901</b>	<b>24,225</b>	<b>2,324</b>
Sub programme: Children, Youth and Families	5,590	6,267	677
Sub programme: Women	12,588	13,820	1,232
Sub programme: Older Persons	2,950	3,586	636
Sub programme: Administration	773	552	-221
<b>Programme 5: Social Development</b>	<b>165,180</b>	<b>165,203</b>	<b>23</b>
Sub programme: Community Development and Poverty Eradication	158,327	158,828	501
Sub programme: Public Private Partnership	5,631	5,289	-342
Sub programme: Administration	1,222	1,086	-136



**Programme 6: Population Unit**

Sub programme: Population Policy Development and Planning  
 Sub programme: Population Policy Implementation  
 Sub programme: Population and Development Research  
 Sub Programme: Administration

	6,368	6,423	55
Sub programme: Population Policy Development and Planning	1,081	1,209	128
Sub programme: Population Policy Implementation	1,478	1,776	298
Sub programme: Population and Development Research	2,709	2,212	-497
Sub Programme: Administration	1,100	1,226	126

**Programme 7 : Auxiliary and Associated Services**

Government motor transport  
 Contributions:  
     United Nations fund for Drug Abuse Control  
     Regional Institute for Population Studies  
     International Social Security Association (ISSA)  
     International Social Services  
     International Council on Alcohol and addiction (ICAA)  
     International Federation for the Aged

	307	319	12
Government motor transport	0	1	1
Contributions:			
United Nations fund for Drug Abuse Control	0	10	10
Regional Institute for Population Studies	66	66	0
International Social Security Association (ISSA)	180	180	0
International Social Services	60	60	
International Council on Alcohol and addiction (ICAA)	0	1	1
International Federation for the Aged	1	1	0
<b>Total</b>	<b>382,046</b>	<b>383,265</b>	<b>1,219</b>

**Explanation of material differences**

**Programme 2: Social Security**

The difference is due to the unexpected increase in expenditure in the 2000/2001 financial year on the SOCPEN maintenance contract in line with the tender and due to the fact that accounts for February and March 2000 was paid in the 2000/2001 financial year.

**Programme 4: Developmental Social Welfare Services**

The saving is due to the non-disbursement of the Victim Empowerment Funds R 1 765, Secure Care R922 and AIDS R 150

**5 Equipment Description**

Current  
 Capital  
**Total**

**Actual**

1,980  
 2,945  
**4,925**

**6 Professional and special services**

Other advisory services  
 Board commission and Committee members  
 Period Payment Committee Members  
 Lectures by private persons  
 Conference facilities  
 Workshops  
 Art work  
 Private persons / instances  
 Print / reproduction: Non Govt Printers  
 Bureau Beta ( Persal )  
 Bureau Beta (FMS)  
 Bureau Nucleus  
 Govnet  
 Computer maintenance service  
 Bureau Beta (Logis)  
 Cleaning service  
 Pimwell  
 Research  
 Consultants  
 Maintenance: Day to day  
 Other Prof and special services  
 Courier service  
 Audit Fees  
**Total**

**Actual**

Other advisory services	12,257
Board commission and Committee members	18
Period Payment Committee Members	235
Lectures by private persons	9
Conference facilities	793
Workshops	319
Art work	11
Private persons / instances	18
Print / reproduction: Non Govt Printers	722
Bureau Beta ( Persal )	83
Bureau Beta (FMS)	71
Bureau Nucleus	295
Govnet	251
Computer maintenance service	676
Bureau Beta (Logis)	112
Cleaning service	97
Pimwell	92
Research	311
Consultants	17,380
Maintenance: Day to day	775
Other Prof and special services	71,731
Courier service	215
Audit Fees	1,401
<b>Total</b>	<b>107,872</b>

<b>7 Transfer payments</b>		
<b>Transferee</b>	<b>Purpose</b>	<b>Actual</b>
Disaster Relief		50,004
National Councils		3,673
Other transfers		163,606
<b>Total</b>		<b><u>217,283</u></b>
<b>8 Miscellaneous</b>		<b>Actual</b>
Stabilisation fund		366
<b>Total</b>		<b><u>366</u></b>
<b>9 Debts written off</b>		
Study debt		10
<b>Total</b>		<b><u>10</u></b>
<b>10 Gifts, donations and sponsorships made in kind</b>		3
<b>Total</b>		<b><u>3</u></b>
<b>11 Payments to other departments (such as conditional grants)</b>		
<b>Name of department</b>	<b>Nature of receipt</b>	<b>Amount</b>
Provincial departments	Child support Grant	16,900
Provincial departments	Improvement of Social Security	30,000
Provincial departments	Flagship	2,273
Provincial departments	Aids	5,620
<b>Total</b>		<b><u>54,793</u></b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2001 (All figures R'000 unless otherwise indicated)

Previous year		Current Year
<b>Actual</b>		
	<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>	<b>Note</b>
44,425	Net cash flow from operating activities excluding capital items	1 4,116
-523	<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>	-2,945
-523	Purchase of plant and equipment	-2,945
43,902	Net cash flows operating and investing activities	1,171
-196,944	<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>	-49,116
-196,944	Movements on receivables, prepayments, advances, payables and provisions	2 -49,116
-153,042	Net increase/(decrease) in cash and cash equivalents	-47,945
196,387	Cash and cash equivalents at beginning of period	3 43,345
<u>43,345</u>	Cash and cash equivalents at end of period	<u>-4,600</u>

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2001

(All figures R'000 unless otherwise indicated)

Previous year		Current Year
<b>Actual</b>		
<b>44,425</b>	<b>1 Net cash flow from operating activities excluding capital items</b>	<b>4,116</b>
43,902	Net surplus as per Income statement	1,171
523	Purchase of capital items	2,945
<b>-196,944</b>	<b>2 Movements on receivables, prepayments advances, payables and provisions</b>	<b>-49,116</b>
-196,944	Finance requires to <u>increase receivables</u> /decrease payables	-49,116
<b>-196,944</b>	<b>Net funds required to finance receivables and payables/or Net funds generated by receivables and payables</b>	<b>-49,116</b>
<b>196,387</b>	<b>3 Cash and cash equivalents beginning of period</b>	<b>43,345</b>
249,068	Paymaster general account	46,151
-2	PMG Adjustments	3
0	Cash in transit	75
2	Cash on hand	3
-83,454	Orders Payable	-2,331
0	ACB Control account EFT payments	-556
30,773	Funds requested	0
<b>43,345</b>	<b>4 Cash and cash equivalents end of period</b>	<b>-4,600</b>
46,151	Paymaster general account	6,049
3	PMG Adjustments	-83
75	Cash in transit deposit	7
3	Cash on hand	2
-2,331	Orders Payable	-3,025
-556	ACB Control account EFT payments	-7,550

**BALANCE SHEET OF THE YEAR ENDED 31 MARCH 2001****(All figures R'000 unless otherwise indicated)**

Previous year		Note	Current year
<b>ASSETS</b>			
<b>44,160 Current assets</b>			<b>1,562</b>
1,130	Unauthorised, irregular and fruitless and wasteful expenditure	1	929
43,345	Cash and cash equivalents	2	-4,600
333	Receivables	3	148
1,487	Prepayments and advances	4	2,574
-2,135	Unallocated		2,511
<b>44,160 Total assets</b>			<b>1,562</b>
<b>LIABILITIES</b>			
<b>44,160 Current liabilities</b>			<b>1,562</b>
65	Revenue to be surrendered		-11
43,837	Voted funds to be surrendered		1,182
258	Payables	5	52
0	Provisions	6	339
<b>44,160 Total liabilities</b>			<b>1,562</b>

Assets and liabilities recorded under cash basis of accounting

**NOTES TO THE BALANCE SHEET  
FOR THE YEAR ENDED 31 MARCH 2001**

(All figures R'000 unless otherwise indicated)

		<u>ASSETS</u>		
Previous year Actual	<u>1</u>	<b>Unauthorised, irregular and fruitless and wasteful expenditure</b>		Current Year
		<b>Irregular expenditure Incident</b>	<b>Criminal proceedings/disciplinary steps taken</b>	<b>Amount</b>
		Insufficient authority		
140		1996/97		140
578		1997/98		578
376		1998/99		376
36		1999/2000		37
0		Correction		-202
<u>1,130</u>		<b>Total</b>		<u>929</u>
	<b>2</b>	<b>Cash and cash equivalents</b>		
-2,331		Orders payable		-3,025
75		Deposits		7
3		PMG Adjustments		-83
46,151		Pay master general		6,049
3		Advance Petty cash		2
-556		ACB Control account EFT payments		-7,550
<u>43,345</u>		<b>Total</b>		<u>-4,600</u>
	<b>3</b>	<b>Receivables - current</b>		Amount
19		Tax debt		16
0		Private telephone		3
33		Study debt		34
232		Subsistence and travel		116
77		PERSAL debt account		14
1		Disallowance on allowance		25
-29		Revenue to be collected		-62
0		Salary write back		2
<u>333</u>		<b>Total</b>		<u>148</u>
	<b>4</b>	<b>Prepayments and advances</b>		Amount
		<b>Nature of prepayments/advances</b>		
9		Government Communication		2,009
180		Expenses on behalf of provinces		180
1,298		Flagship - Mpumalanga		385
<u>1,487</u>		<b>Total</b>		<u>2,574</u>

<b>LIABILITIES</b>			
	<b>5</b>	<b>Payables - current</b>	
			Amount
232		Tax deduction	42
23		Pension	7
0		PERSAL Recall	3
3		Stabilisation, Regional & Loans	0
<u>258</u>		<b>Total</b>	<u>52</u>
	<b>6</b>	<b>Provisions</b>	
		<b>Purpose of provision</b>	Amount
		Inter Ministerial Committee	339
		<b>Total</b>	<u>339</u>
	<b>7</b>	<b>Contingent liabilities</b>	
		<b>Liable to</b>	Amount
671		Various banks and financial institutions	735
96		Various banks and financial institutions	527
<u>767</u>			<u>1,262</u>
		<b>Nature of contingent liability</b>	
		Financial guarantees regarding housing loans to employees	
		Financial guarantees i.r.o motor finance scheme	

## STATEMENT OF FOREIGN AID FOR THE YEAR ENDED 31 MARCH 2001

(All figures R'000 unless otherwise indicated)

### Statement of Foreign Aid Assistance Received

#### Funds Received

Source of funds	Intended use	Amount received	Amount spent	Balance unspent / (overspent)
Royal Netherlands Embassy	Sectoral budget support spending for the transformation of the Child and Youth Care System	22,925	22,586	339
World Bank	Strengthen the capacity of the Department to improve the social security system and analyse the poverty impact of the social security program	618	470	148
		23,543	23,056	487

#### Value Received in Kind

Source of Funds	Intended use	Value
United Nations Population Fund	Capacity building in the National Population Unit	1,925

#### Pending Applications for Assistance

Source of assistance	Intended use	Amount
World Bank	Strengthen the capacity of the Department to improve the social security system and analyse the poverty impact of the social security program	2,085
		2,085





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