



# LIMPOPO

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF  
**SOCIAL DEVELOPMENT**

PROVINCE OF LIMPOPO  
**VOTE NO. 12**  
**ANNUAL REPORT**

**2017/2018 FINANCIAL YEAR**

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# **PART A: GENERAL INFORMATION**

## 1. DEPARTMENT GENERAL INFORMATION

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## 2. LIST OF ABBREVIATIONS/ACRONYMS

AC	Audit Committee
AGSA	Auditor General of South Africa
ANC	African National Congress
AO	Accounting Officer
APP	Annual Performance Plan
BAS	Basic Accounting System
BAUD	Bar Coded Asset Audit
BBBEE	Broad Based Black Economic Empowerment
CAC	Central Audit Committee
CBO	Community Based Organization
CHH	Child Headed Household
CCMA	Commission for Conciliation Mediation and Arbitration
CDP	Community Development Practitioner
CDA	Central Drug Authority
CFO	Chief Financial Officer
CNDC	Community Nutrition Development Centres
CYCC	Child and Youth Care Centre
CYCW	Child and Youth Care Workers
DIC	Drop in Centre
DORA	Division of Revenue Act
DSD	Department of Social Development
EBT	Electronic Banking Transfer
ECD	Early Childhood Development
EPWP	Extended Public Works Programme
EXCO	Executive Committee
EU	European Union
FET	Further Education and Training
GOVT	Government
HIV	Human Immune Virus
AIDS	Acquired immune deficiency syndrome
HCBC	Home Community Based Care
HOD	Head of Department
HR	Human Resource
HRD	Human Resource Development
HRM	Human Resource Management
HRP	Human Resource Plan
HWSETA	Health and Welfare Sector Education and Training Authority

ICT	Information Communication Technology
IDT	Independent Development Trust
IEC	Information, Education and Communication
LDP	Limpopo Development Plan
MDDA	Media Development Diversity Agency
MDG	Millennium Development Goals
MEC	Member of Executive Council
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MPAT	Management Performance Assessment Tool
NACCW	National Association of Child Care Workers
NDA	National Development Agency
NDP	National Development Plan
NGO	Non-Governmental Organization
NPO	Non-Profit Organization
NQF	National Qualification Framework
OD	Organisational Design
OFA	Organisational Functionality Assessment
OSD	Occupation Specific Dispensation
OVC	Orphans and Vulnerable Children
PERSAL	Personnel Salary
PFMA	Public Finance Management Act
PMDS	Performance Management Development System
SANCA	South African National Council for Alcoholism and Drug dependence
SAPS	South African Police Services
SAQA	South African Qualification Authority
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SITA	State Information Technology Agency
SMME	Small Medium and Micro Enterprises
SMS	Senior Management Services
TR	Treasury Regulations
TVET	Technical Vocational Education and Training
VEP	Victim Empowerment Programme
WAN	Wide Area Network

### 3. FOREWORD BY THE MEMBER OF THE EXECUTIVE COUNCIL



**Name: Mme Mapula Anna Mokaba – Phukwana**

**Title : Member of the Executive Council**

The past financial year has yet again hailed significant achievements for the Department and it is with a great sense of pride that I present the Department's Annual Report for this period.

In order to fulfil its constitutional mandate of reducing poverty and creating a caring society, the Department developed and implemented a range of programmes aimed at improving the lives of the most vulnerable citizens of Limpopo.

Our key responsibility is to provide a social safety net for the poor and to prevent more people from sliding into abject poverty and hardships, by creating opportunities for self-sustainability. This is achieved by supporting initiatives such as cooperatives and it is especially those led by women and the youth that have received priority. The Department remains committed towards the liberation of the women, the emancipation of the men and the liberty of children. In addressing poverty, unemployment and inequality, the Department seeks to ensure that no citizen goes to bed hungry, through the introduction of Provincial Food Distribution Centres and Community Development Nutrition Centres.

Further to this, we continue to join hands with sister departments, civil society and NPOs in fighting the ever-present evil of substance abuse, that seems to continuously tear communities and families apart, as well as lead to socio-economic issues such as crime, child neglect, violence and health problems.

NPOs remain an integral part of service delivery in line with the mandate of the Department. We therefore continue to provide financial and technical support. I am therefore proud to present the 2017/18 Annual Report for the Department of Social Development.



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**MEC: Mme Mapula Anna Mokaba – Phukwana**

**Date** 31/05/2018

#### 4. DEPUTY MINISTER STATEMENT

Not applicable

#### 5. REPORT OF THE ACCOUNTING OFFICER



**Name: Mme Daphne Ramokgopa**  
**Title : Head of Department**

#### **Overview of the operations of the Department:**

During the 2017/18 financial year, the Department of Social Development discharged its mandate guided by the following Medium term strategic framework 2014-2019 as aligned to the National Development Plan and Limpopo Development plan , Outcome 13 *“A comprehensive, responsive and sustainable social protection system”* is the key focus point for the Department with the following as supporting Outcomes: Outcome 1, *“Quality basic education”* Outcome 2, *“long and healthy life for all South Africans “* Outcome 3 *“All people in South Africa are and feel safe”* Outcome 4, *“Decent employment through inclusive growth”* Outcome 7 *“Vibrant, equitable,*

*sustainable rural communities contributing towards food security for all* and Outcome 12 *“An efficient, effective and development-oriented public service”*.

The following are key priorities for the Social Sector as enshrined in MTSF Outcome 13 *“A comprehensive, responsive and sustainable social protection system”*:

*Reforming the social welfare sector and services to deliver better results, improving the provision of Early Childhood Development. Deepening social assistance and extending the scope for social security, strengthening community development interventions, establishing social protection systems to strengthen coordination, integration, planning, monitoring and evaluation of services*

This Annual report for 2017/18 focuses on the results, challenges, significant events and programmes implemented as of 31<sup>st</sup> March 2018. In the year under review, the department has successfully implemented the strategies and plans in view of responding to the social challenges confronting poor communities and vulnerable households in the Province.

The introduction of the mobile ECD programme and the registration drive ensured increased access to ECD programmes. Testimony to this is based on the fact that 200 793 children enrolled in ECD centres while 58 083 vulnerable children accessed services in the ISIBINDI sites and Drop in Centres. In an endeavour to build a caring nation through key intervention programmes related to curbing the scourge of HIV and AIDS, the department managed to train 124 organisations in behavioural change programmes. This resulted in 58 083 people being reached and 25 053 beneficiaries provided with psychosocial support services.

Limpopo province is not immune to abuse of substances across all age groups. Departmental interventions ensured outreach to 401 783 people through substance abuse prevention, treatment and rehabilitation services. A total of 766 service users were exposed to out-patient treatment services.

In pursuit of increased access to community intervention services to vulnerable households especially those in need of food security services, the Department managed to reach 191 220 people who accessed nutritious food through DSD Feeding Programmes, such as Early Childhood Development Centres, Drop in

Centres, Old aged residential centres and centres for persons with disabilities. There is still a challenge of expanding the programme to most vulnerable households.

The youth remain an invaluable contributor towards decent employment through inclusive economic growth. The Departmental youth programmes ensured support to youth development structures and exposure of young people to capacity building opportunities. A total of 28 913 young people were mobilised and exposed to skills development and entrepreneurship development programmes with the ultimate goal of empowerment and job creation initiatives.

The department targeted the empowerment of rural women and as a result a total of 24 430 women were empowered through cooperatives support, income generating initiatives and other empowerment programmes. In addition 15 841 women and children were supported through the victim empowerment programmes.

In transforming the social welfare services, 19 572 older persons and 4760 people with disabilities were provided with community based services contrary to the residential based care approach.

### Overview of the financial results of the Department:

#### Departmental receipts

Departmental receipts	2017/2018			2016/2017		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Sale of goods and services other than capital assets</b>	1 417	1 548	(101)	1 502	1 374	128
<b>Interest and Dividends</b>	0	0	(6)	-	-	-2

<b>Interest and Dividends</b>	0	0	(6)	-	-	-2
<b>Sale of capital assets</b>	363	530	(187)	1 281	3 205	(1 924)
<b>Financial transactions in assets and</b>	1 010	685	325	16 166	10 173	5 993

The Departmental revised revenue budget for 2017/18 financial year is R 2 794 million and a collection of R 2 763 million or 99% of the adjusted budget by 31 March 2018.

Programme Name	2017/2018			2016/2017		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Administration</b>	307 708	305 601	2 2 107	287 422	274 712	12 710
<b>Social Welfare services</b>	348 832	345 229	3 603	309 851	305 488	4 363
<b>Children and Families</b>	809 773	807 034	2 739	736 252	735 803	450
<b>Restorative Services</b>	177 921	176 739	11 182	167 597	167 209	388
<b>Development and Research</b>	184 582	182 286	2 296	178 717	178 046	671
<b>Total</b>	<b>1 828 816</b>	<b>1 816 889</b>	<b>11 741</b>	<b>1 679 839</b>	<b>1 654 941</b>	<b>17 931</b>

The Department spent 99.3% of its adjusted budget during the 2017/18 financial year compared to 98.7% spent in 2016/17 financial year. Administration programme spent 99.4% of its adjusted budget during the 2017/18 financial year compared to 95.5% spent in 2016/17 financial year. The underspending is due to delay in recruitment process towards the appointment of four officials for the management of Infrastructure projects in line with Early Childhood Development Programme under

conditional grant funding framework. Included to the underspending is the commitments for infrastructure payments for condition assessment projects not completed following the conditional grant implementation.

Social Welfare Services, Children & families, Restorative Services and Development & Research programmes have spent 99.0%, 99.7%, 99.3% and 98.8% of the adjusted budget respectively.

- **Virements/roll overs**

- No virement and an amount of R3 239 million has been requested as a roll over for payments of commitments from infrastructure projects for condition assessment in implementation of Early Childhood Development Programme for conditional grant funding.
- A description of the reasons for unauthorised, fruitless and wasteful expenditure and the amounts involved as well as steps taken to address and prevent a recurrence.

- **Future plans of the Department**

- Implement the 2018/19 APP.
- Implementation of the National Integrated Childhood Development Policy 2015.

- **Public Private Partnerships**

None.

- **New or proposed activities**

None.

### **Supply chain management**

- All Directors and Shareholders of companies as well as members of close corporations of the recommended companies are being verified through Central Supplier Database Report whether they are not listed on the National Treasury Tender Defaulters as well as government officials who are doing business with public entities. This is done prior to award of competitive bids and quotations to ensure that bids or quotations are not awarded to restricted companies and officials in public service with business interests without approval.

- Appointed Bid Adjudication Committee members were capacitated on supply chain management processes.
- Shortage of staff has been the main challenge especially in SCM in the year under review. This is for both Head Office and at the District level. The filling of posts in this area will be prioritized.
- The Department has implemented BAUD Asset Management system in 2017/18 financial year.
  
- **Gifts and Donations received in kind from non-related parties**  
None
- **Exemptions and deviations received from the National Treasury**  
None
- **Events after the reporting date**  
As part of strengthening the management and improving service delivery, the following changes were effected:
  - Mr Malatji JT – appointed as Acting Chief Director: Corporate Services
  - Ms Mohale MI- redeployed as Chief Director: Service Delivery Coordination
  - Ms Mathagu KM – reassigned as Director for both Human Resource Management and Development.
  - Ms Sethosa MM – redeployed as Director Capricorn District
- **Other**  
There are no other material facts or circumstances, which may have an effect on the understanding of the financial state of affairs, not addressed elsewhere in this report.

### **Acknowledgement/s or Appreciation**

The implementation of the Departmental Annual Performance Plan 2017/18 has been possible because of the contribution of various stakeholders. In this regard, I would like to acknowledge among others the following:

- Portfolio Committee on Social Development
- Standing Committee on Public Funds (SCOPA)
- Public Service Commission

- Cluster 1 Audit committee
- Limpopo Provincial Office of the Premier
- National Department of Social Development
- Limpopo Provincial Treasury
- National Development Agency
- South African Social Security Agency
- Organized Labour
- Civil and Non Profit Organisations
- Government Technical Advisory Centre (GTAC)
- Pact SA

### Conclusion

In conclusion, I would like to express my gratitude to the Executive Authority, Oversight bodies and members of the Parliamentary Committees for their political leadership, expertise and guidance. I also wish to extend my appreciation to the leadership and staff of our supporting Agencies, NPOs and other sector partners for their continued support. Finally, I would like to heartily thank the management team and staff members in the department for their dedication and hard work in pursuit of our objectives in striving towards meeting our commitments to the people of Limpopo.

Approval and sign off



**Mme Mapula Daphne Ramokgopa**  
**Accounting Officer**  
**Department of Social Development**

Date: 31/05/2018

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

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

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

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

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

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

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2018.

Yours faithfully



**Head of Department**  
**Mme Mapula Daphne Ramokgopa**

Date: 31/05/2018

## 7. STRATEGIC OVERVIEW

### 7.1. Vision

A Caring and self-reliant Society.

### 7.2. Mission

To transform our society by building conscious and capable citizens through the provision of integrated social development services.

### 7.3. Values

- **Human Dignity**

Is a fundamental human right that must be protected in terms of the Constitution of South Africa and facilitates freedoms, justice and peace.

- **Respect**

Is showing regard for one another and the people we serve and is a fundamental value for the realisation of development goals.

- **Integrity**

Refers to consistency with our values, principles, actions, and measures and thus generate trustworthiness amongst ourselves and with our stakeholders.

- **Equality and Equity**

We seek to ensure equal access to services, participation of citizens in the decisions that affect their lives and the pursuit of equity imperatives where imbalances exist.

- **Accountability**

Refers to our obligation to account for our activities, accept responsibility for them and to disclose the results in a transparent manner.

## 8. LEGISLATIVE AND OTHER MANDATES

The Department derives its legislative mandates from the Constitution of the Republic of South Africa (Section 27 (1) (c), providing for the right of access to Social assistance to those unable to support themselves and their dependents. Section 28 (1) of the Constitution enshrines the right of children with regards to appropriate care, basic nutrition, shelter, health care and social services.

## 8.1 Constitutional Mandates

The Department implements its constitutional mandates in terms of Section 27(1)(28(1) and schedule 4 of the constitution of Republic of South Africa, Act 108 of 1996.

## 8.2 Legislative mandates

The following national legislation and policy documents form the legal and policy framework being implemented within the Department:

- **Social Assistance Act (Act no 13 of 2004)**  
The Social Assistance Act, 1992 provides for the rendering of social assistance to persons, national councils and Social Development Organizations.
- **Social Service Professions Act, 1978 (Act no. 110 of 1978)**  
Promotes and regulates the practice of social service practitioners for social service professions.
- **White Paper for Social Welfare (1997)**  
Aims to transform social welfare services through developmental approach
- **Social Service Professions Act, 1978 (Act no. 110 of 1978)**  
Promotes and regulates the practice of social service practitioners for social service professions.
- **Child Care Act, 1983 (Act No. 74 of 1983)**  
Provides the framework for the care of vulnerable children.
- **Probation Services Act, 1991 (Act no.116 of 1991)**  
Provides for the transformation of the child and youth care system.
- **Domestic Violence Act (Act no. 61 of 2003)**  
Provides for the protection of the victims of domestic violence and the vulnerable members of the society.

- **The Child Justice Act (Act no. 75 of 2008)**  
Provides the framework for dealing with children in conflict with the law.
- **Older persons Act (Act no.13 of 2006.)**  
Provides a framework for the empowerment and protection of older persons.
- **Advisory Board on Social Development Act, 2001 (Act no. 3 of 2001)**  
Provides for a national advisory structure in the social development sector.
- **Non-Profit Organisations Act, 1997**  
This Act repealed the Fund-Raising Act, 1997, excluding the chapter that deals with relief funds, and provided for an environment in which non-profit organisations can flourish. The Act also established an administrative and regulatory framework within which non-profit organisations can conduct their affairs.
- **Children's Amendment Act No. 38 of 2005**  
Provides the framework for the care and protection of children.
- **Sexual Offences Related Matters Amendment Act no 32 of 2007**  
Provides for the regulation of sexual offences against vulnerable groups.

#### **Policy mandates**

- **National Development Plan**  
Chapter 11 of the NDP requires that the Department of Social Development should spearhead the Social Protection to make sure there is alignment and coordination of Social protection issues including addressing the challenges of eradicating poverty and reducing inequality.
- **Medium Term Strategic Framework**  
It identifies the development challenges that government has to confront in the next five years. It serves as a backdrop to guide planning and budgeting across the three spheres of government.

- **National guideline on Victim Empowerment**

It provides a framework for sound inter-Departmental and inter-sectoral collaboration and for the integration of effective institutional arrangements for a multi-pronged approach in managing victim empowerment.
- **Limpopo Development Plan**

It is the overarching development strategy for Limpopo province for the next five years. It seeks to reduce poverty, unemployment and inequality through sustainable economic development, social development and transformation.
- **White Paper for Social Welfare (1997)**

The White Paper sets out the principles, guidelines, proposed policies and programmes for developmental social welfare in South Africa. As the primary policy document, the White Paper serves as the foundation for social welfare in the post-1994 era.
- **Integrated National Disability Strategy**

It provides for an integration of disability issues in all government development strategies, planning and programmes.
- **Disability Policy 2006**

It recognizes that Persons with Disabilities are valuable human resources for the country and seeks to create an environment that provides them with equal opportunities, protection of their rights and full participation in society.
- **Relevant Conventions and Agreements**

This refers to relevant and applicable Conventions and Agreements concluded relating to social development.
- **Population Policy 1998**

It examines the current state and likely future directions of population policy in South Africa with particular reference to family planning activities set against the background of past and it also response to the changing socio-political situations in the country.
- **National Crime Prevention Strategy**

It provides the need to follow developmental approach and inter-sectoral collaboration towards combating and addressing crime.
- **Minimum Standards for Residential Facilities on People with Disabilities**

They serve as a guide to individuals and families as to what they can reasonably expect of a residential service. They have been developed for the purposes of the registration and inspection of residential services for people with disabilities.

- **National drug master plan.**

It guides and monitors the actions of government Departments to reduce the demand for and supply of drugs and the harm associated with their use and abuse.

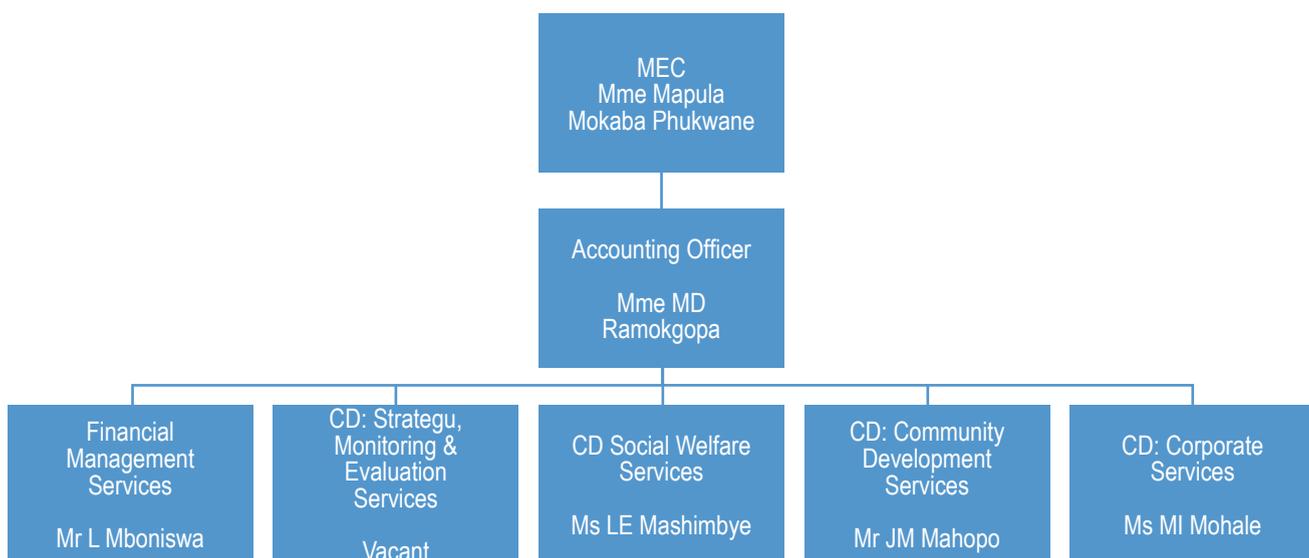
- **Policy Framework on Orphaned and Vulnerable Children.**

It provides for a common agenda for mounting an effective response towards addressing the challenges posed by the HIV/AIDS epidemic. It outlines key actions that must be taken urgently, including the prioritization of support for orphans, vulnerable children and their families in the national policies, actions and plans.

- **National Integrated Early Childhood Development Policy**

The Policy aims at addressing challenges encountered within the sector in relation to currently available legislation that is not well coordinated. The policy objective is to improve universal access to quality, equitable and appropriate services to children.

## 9. ORGANISATIONAL STRUCTURE



## 10. ENTITIES REPORTING TO THE MEC

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

<b>Name of Entity</b>	<b>Legislative Mandate</b>	<b>Financial Relationship</b>	<b>Nature of Operations</b>
<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>

## PART B: PERFORMANCE INFORMATION

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

The department has improved from 70% on programme performance information in 2016/17 to 76% in 2017/18 financial year. This account for the achievement of 54 out of 71 indicators. , 17 were not achieved which translates to 24% and 2 out of 71 indicators were not reported which accounts for 3%. The following indicators were not reported due to lack of capacity within the unit, “Number of demographic profiles completed” and “Number of Population Policy, Monitoring and Evaluation projects produced”. The improved performance can be attributed to vigorous monitoring and support of the service delivery programmes and districts.

The Department registered 42.3% (11 of 26) women in senior management services compared to 56.5% (13 of 23) in 2016/17. This decline can be attributed to the resignation and transfer out by two female SMS members. Unfortunately, with Persons with disabilities, the Department has regressed from 2 % (63 of 3138) in 2016/17 to 1.9% (64 of 3384) in 2017/18 Financial year. This is as a result of the departure of three (3) employees with disabilities.

The Department completed the construction of the Seshego Treatment Centre and the other four (4) office accommodation projects namely; Saselemani, Gawula, Mankweng and Mookgopong are still under construction and they will be completed in 2018/19 financial.

The Department has been participating in the Management Performance Assessment Tool (MPAT) since its inception in 2011 (MPAT 1.1). The assessment is conducted annually following MPAT processes launched by DPME. The following is the analysis of MPAT 1.7 final results:

- **Strategic Management:** Annual Performance Plans, Monitoring, and Planning of Implementation Programmes sustained level four (4), level two (2) and level one (1) respectively. This is due to non-functionality of evaluation unit and formalization of Evaluation function within the department.
- **Governance and Accountability:** Functionality of management structures, Assessment of internal audit arrangements and assessment of accountability mechanisms sustained level four (4) whereas Service delivery charter,

standards and SDIP regressed from level four (4) to level two point five (2.5), with improvement in risk management from level two (2) to level three (3). Corporate Governance of ICT improved drastically from level one (1) to level three (3).

- **Human Resource Management:** Human Resources Development Planning, Implementation and Reporting sustained level four (4) whereas Organizational design drastically improved from level one (1) to level four (4). Application of recruitment and retention practices improved from level two point five (2.5) to three (3). Delegation in terms of PSA sustained level three (3). PMDS for employees levels 1 to 12 sustained level two (2) and SMS PMDS (excluding HOD's) improved from level two (2) to three (3) whereas PMDS HOD's sustained level two point five (2.5). Disciplinary cases sustained level one (1).
- **Financial Management:** Demand and Acquisition management sustained level three (3) and level four (4) respectively. Disposal management regressed from three (3) to two (2) and payment of suppliers sustained level two (2). Unauthorised expenditure sustained level four (4). The department has developed an improvement plan with a view to sustain level four (4) scores and improve MPAT 1.8 performance.

## 2.1 Service Delivery environment

At its core, the Department aims at delivering Social Welfare and developmental services to the poor and vulnerable households. The Department is also providing Child Care and Protection services through ISIBINDI, access to ECD's, Drop in Centers, Foster care placements and psychosocial support.

In 2017/18 financial year, 200 793 children accessed registered ECD programmes. Of these children, 94 521 received R15.00 subsidy. This includes children who benefitted from ECD conditional grant. The Department also managed to fully register 123 ECD centres and 53 ECD programmes. The number of trained ECD Practitioners increased from 3 612 to 3 779 in 2017.18. This is to ensure that quality care and elementary learning are not compromised. Despite challenges identified during Foster Care Evaluation study regarding shortage of resources, the Department managed to place 3 168 children in foster care with 1 678 children awaiting foster care placement.

The bulk of the Department's services are delivered in partnership with 2 742 funded NPO's. In the year under review, a total number of older persons who accessed funded residential facilities is 588, while those accessing community care and support services is 19 572. This is in response to the Older Persons Act that requires provision of care, support and protection of older persons. The Department continues to provide comprehensive and integrated services to people with disabilities. To this end, 4 760 people with disabilities accessed funded protective workshops in the 2017/18 financial year.

HIV and AIDS remains a challenge in the midst of the growing number of orphans and vulnerable children who need dedicated care and support from the Department. In the year under review, 25 053 orphans and vulnerable children receiving psychosocial services were reached.

Challenges posed by substance abuse remain a thorn in the flesh for the Department. The magnitude and vastness of the problem is what fuelled the Departmental efforts in ensuring that incidents of substance abuse are reduced. To this end, the Department managed to reach a total number of 401 017 people (children and adults) through substance abuse prevention programme.

As part of creating an inclusive and responsive Social Protection System, in this regard 5 722 households accessed food through food security programme and 191 220 people accessed food through DSD feeding programmes (centre-based). Fifteen (15) income generating projects have been initiated and funded. This programme focused mainly on rural women, people with disabilities, unemployed youth, and income generating and food security projects. Through EPWP programme, the Department managed to create 2 957 jobs during the financial 2017/18. The Department in partnership with NDA and the National Department of Social Development, managed to empower 5 322 NPO's on governance, financial management, conflict management, registration and compliance.

The Department was able to mobilise 31 995 people in 77 poverty stricken communities through Project Mikondzo in order to uplift the standard of living of the people. To that effect many communities, youth, women, Child Headed

Households and People with Disabilities have benefitted in terms of farming equipments, school uniform, vegetable gardens, referrals to other role players and funding of projects.

Despite these achievements, the Department is still confronted with challenges relating to linking of procurement of goods and services in order to stimulate local economic development from the credible cooperatives and SMMEs. To date we were only able to link 50 cooperatives with provincial food distribution centre and community nutrition and development centres. The intervention in this regard will go a long way in reducing the incidences of Poverty and unemployment amongst women, youth and people with disabilities particularly in rural areas.

## 2.2. Service Delivery Improvement Plan

The Department has completed a Service Delivery Improvement Plan. The table below highlights the service delivery plan and the achievements to date:

### Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Number of youth participating in skills development programmes	Unemployed out of school youths between 18 - 35 years from profiled vulnerable households in Limpopo province.	328 youths to be capacitated on vocational skills.	500 youths to be capacitated on vocational skills.	1 654 youths were capacitated on vocational skills.
Number of children accessing registered ECD programmes	Children between 0-5 years in Limpopo province	187 793 children accessing the Early Child Development Programme	190 000 children have access to the registered Early Child Development Programme	200 793 children accessed registered Early Child Development Programme

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
		(through centre based and non-centre based programmes)		

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

Current/actual arrangements	Desired arrangements	Actual achievements
Consultation in relation to Early Childhood Development Programme for children between 0-5 years.	Consultation in relation to Early Childhood Development Programme for children between 0-5 years.	Consultations in relation to Early Childhood Development Programme for children between 0-5 years were held.
Capacity building of all ECD Stakeholders (ECD Centers, Government Departments, and NGOs) on ECD services on a quarterly basis.	Capacity building of all ECD Stakeholders (ECD Centers, Government Departments, and NGOs) on ECD services on a quarterly basis.	Conducted capacity building for all ECD Stakeholders (ECD Centers, Government Departments, and NGOs) on ECD services during the period the 2017/18 FY
Quarterly Provincial and District ECD Forum meetings for integration and coordination of ECD services.	Quarterly Provincial and District ECD Forum meetings for integration and coordination of ECD services.	Quarterly Provincial and District ECD Forum meetings for integration and coordination of ECD services were held.
DSD and ECD Practitioners to capacitate the community members /parents on ECD services to ensure they understand the important of ECD services to from 0-5years	DSD and ECD Practitioners to capacitate the community members /parents on ECD services to ensure they understand the important of ECD services to from 0-5years	DSD and ECD Practitioners capacitated the community members /parents on ECD services to ensure they understand the important of ECD services to from 0-5years

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Access: It is through office contacts (visits by beneficiaries at Local, District, Provincial Office, Tribal Offices, clinics and One Stop Centers), telephonic contacts, e-mails and written correspondence (letters, invitation Door-to-door visits will be conducted.</p>	<p>Access is through office contacts (visits by beneficiaries at Local, District, Provincial Office, Tribal Offices, clinics and One Stop Centers), telephonic contacts, e-mails and written correspondence (letters, invitation. Door-to-door visits will be conducted.</p>	<p>Through office contacts (visits by beneficiaries at Local, District, Provincial Office, Tribal Offices, clinics and One Stop Centers), telephonic contacts, e-mails and written correspondence (letters, invitation Door-to-door visits were conducted.</p>
<p>ECDs are within 2km radius within the area of access.</p>	<p>ECDs are within 2km radius within the area of access.</p>	<p>ECDs are within 2km radius within the area of access.</p>
<p>Openness &amp; Transparency: in relation to Early Childhood Development Programme for children between 0-5 years. Disseminate information through community meetings, workshops and trainings, Departmental summits and use of citizen's report</p>	<p>Disseminate information through community meetings, workshops and trainings, Departmental summits and use of citizen's report</p>	<p>Disseminated information through community meetings, workshops and trainings, Departmental summits and use of citizen's report</p>
<p>Minutes of the District ECD Forums are disseminated to all stakeholders</p>	<p>Minutes of the District ECD Forums are disseminated to all stakeholders</p>	<p>Minutes of the District ECD Forums disseminated to all stakeholders</p>
<p>Posters, pamphlets and any information relating to ECD services will be sent to all ECD structures</p>	<p>Posters, pamphlets and any information relating to ECD services will be sent to all ECD structures</p>	<p>Posters, pamphlets and any information relating to ECD services sent to all ECD structures</p>
<p>Information in relation to Early Childhood Development Programme for children between 0-5 years. Disseminate information through workshops, campaigns and imbizos, including radio stations, through newsletter, brochures on ECD Programme</p>	<p>Disseminate information through workshops, campaigns and imbizos, including radio stations, through newsletter, brochures on ECD Programme</p>	<p>Disseminated information through workshops, campaigns and imbizos and brochures on ECD Programme</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Consultation in relation to Youth Development : Consult tribal authorities, local municipalities through stakeholder meeting and ensure that youth structures participate, conduct youth dialogues through youth structures, households profiling</p>	<p>Consult tribal authorities, local municipalities through stakeholder meeting and ensure that youth structures participate, conduct youth dialogues through youth structures, households profiling</p>	<p>Consulted tribal authorities, local municipalities through stakeholder meetings and ensured that youth structures participate, conducted youth dialogues through youth structures, households profiling</p>
<p>Access: The youth will have access to credible and accredited training and be exposed to other courses. They will have a wider range of services in the Province. Physical Addresses of all training service providers will be provided to the identified youths across the Province</p>	<p>The youth will have access to credible and accredited training and be exposed to other courses. They will have a wider range of services in the Province. Physical Addresses of all training service providers will be provided to the identified youths across the Province</p>	<p>The youth had access to training and were exposed to other courses. They had a wider range of services in the Province. Physical Addresses of all training service providers were provided to the identified youths across the Province</p>
<p>Openness &amp; Transparency: All issues relating to the programme are addressed during orientation when intake is done. There are monthly and quarterly meetings with students to allow them to raise issues.</p>	<p>All issues relating to the programme are addressed during orientation when intake is done. There are monthly and quarterly meetings with students to allow them to raise issues.</p>	<p>All issues relating to the programme are addressed during orientation when intake was done. There were quarterly meetings with students to allow them to raise issues.</p>

### Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Disseminate information in relation to access of Early Childhood Development Programme is done through workshops, campaigns and imbizos, including radio stations, through newsletter, brochures on ECD Programme	Disseminate information through workshops, campaigns and imbizos, including radio stations, through newsletter, brochures on ECD Programme	Disseminated information through workshops, campaigns, imbizos, and brochures on ECD Programme Minutes of the District ECD Forums were disseminated to all stakeholders
Information in relation to youth development is disseminated during orientation, monthly and quarterly meetings with stakeholders. Use of sms and radio to give information about the programme. During households profiling officials will be informing youths about the programme	Information is disseminated during orientation, monthly and quarterly meetings with stakeholders. Use of sms and radio to give information about the programme. During households profiling officials will be informing youths about the programme	Information disseminated during orientation, monthly and quarterly meetings with stakeholders. Used sms to give information about the programme. During households profiling officials informed informing youths about the programme

### Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Suggestion boxes mounted in service points	100% of complaints resolved within Twenty Five (25) working days received from suggestion boxes	No complaints received and resolved from the mounted suggestion boxes
Verbal and written apologies for failing to honour meetings, workshops /trainings	100% of complaints resolved within Twenty Five (25) working days received from suggestion boxes	No complaints received and resolved from the mounted suggestion boxes
Presidential, Premier Hotline and Walk Inn Complaints	Resolve all Presidential, Premier Hotline and Walk Ins Complaints within	Five (5) Presidential Hotlines complaints were resolved during the period

	Twenty Five (25) working days.	<p>under review.</p> <p>Four (4) Premier Hotline Complaints were resolved during the period under review.</p> <p>Four (4) Walk Ins complaints were resolved during the period under review.</p>
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### 2.3. Organisational environment

The Department has developed Medium Term Expenditure Framework HR Plan for the period 2014/2015 – 2016/2017 as per guidelines given by the HRP Strategic Framework Vision 2015 for the Public Service. The HR Plan ensures that the workforce supply complements current and future demands.

In addition, the HR Plan sets out the issues, evidence and strategies required to deliver a sustainable workforce capable of continuing to deliver high quality social services and to contribute towards the attainment of the goal of a better life for all. Following the DPSA directive, the Department engaged in the PERSAL clean-up Process, which among others resulted in all unfunded vacant position being abolished. During the year under review, the Department managed to fill 255 of the 369 funded posts.

With regard to skills development interventions, the Department implemented management development programs for all levels of employees (Public sector monitoring and evaluation program, Public sector governance and risk management program).

The vacancy rate for the entire Department has decreased from 55.02% to 54.7%. The Under funding of the Department is a cause for concern and has far reaching implications in terms of provision of quality services to communities. This has also affected the filling of vacant posts.

In an endeavour to enhance service delivery particularly at the coalface, the department has procured tool of trades such as vehicles, laptops and office furniture.

## 2.4. Key policy developments and legislative changes

There are no new key policy developments and legislative changes.

## 3. STRATEGIC OUTCOME ORIENTED GOALS

South Africa's NDP 2030 accords a central role to social protection in addressing the critical challenges of eradicating poverty and reducing inequality. A role is assigned to social protection to contribute amongst others to ensuring that there prevails households' food, nutrition security, access to basic services, support to early childhood development and investment in children.

The following tables presents a summary:

Outcome	Output / Measure
<b>Outcome 1:</b> Quality basic education.	Improved Early Childhood Development (ECD) for children birth to school going age.
	Improved care, cognitive learning and protection services to children.
<b>Outcome 3:</b> All people in South Africa are and feel safe.	Reduced incidence of gender based violence.
	A reduction in social crime.
	Improved access of social services provided to victims of human trafficking.
	A reduction in the levels of substance abuse by individuals and in communities.

#### 4. PERFORMANCE INFORMATION BY PROGRAMME

##### 4.1. Programme 1: ADMINISTRATION

The purpose of this programme is to provide political and strategic direction and leadership through the provision of overall strategic management and support services.

This programme has three sub-programmes-

- Office of the MEC and HOD,
- Corporate Management services and
- District Management.

Strategic Objectives:

- Efficient, effective and developmental support oriented system to the Department by ensuring good governance

Programme Name : Administration					
Strategic objectives	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Efficient, effective and developmental support oriented system to the Department by ensuring good governance	2 932	3 355	3 357	+2	None

<b>Programme Name : Administration</b>					
<b>Strategic objectives</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
Efficient, effective and developmental support oriented system to the Department by ensuring good governance	32	31	31	0	None

**Performance indicators**

<b>Programme: ADMINISTRATION</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
<b>Sub-Programme: Corporate Management Services</b>					
Number of Social Worker bursary holders that graduated	265	171	171	0	None
Number of Social Worker bursary holder graduates employed by	-	164	209	+45	Additional forty – five (45) graduates were appointed out of savings from

<b>Programme: ADMINISTRATION</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
DSD					Social Work conditional grant
Number of EPWP work opportunities created.	2 647	3 000	2 957	-43	Target not reached due to limited equitable share budget
Number of learners on learnership programmes	20	20	20	0	None
Percentage of women in SMS positions employed (Level 13-16)	56.5% (13 of 21)	50% (13 of 26)	42.3% (11 of 26)	-7.7% (2 of 26)	Vacancies of two posts arose due to resignation and transfer out of the department
Percentage of people with disabilities employed	2% (63 of 3138)	2% (68 of 3 384)	1.9% (64 of 3 384)	- 0.1% (3 of 3384)	Vacancies of three posts arose due to resignation and transferred out of the department
<b>Sub-Programme: Financial Management Services</b>					
Number of facilities under construction	3	5	5	0	None
Number of facilities maintained	29	26	26	0	None
Percentage of	100% (12 of	100% (12	100% (12 of	0	None

<b>Programme: ADMINISTRATION</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
asset register and ledger on additions	12)	of 12)	12)		

### **Strategy to overcome areas of under performance**

<b>Underperformed indicators</b>	<b>Strategy to overcome areas of under performance</b>
Number of EPWP work opportunities created	Review equitable share budget allocation aligned to EPWP target.
Percentage of women in SMS positions(Level 13-16)	Prioritize appointment of females in SMS positions.
Percentage of people with disabilities employed	Prioritize appointment of people with disabilities at all levels. Intensify disability disclosure awareness campaigns.

### **Changes to planned targets**

None

### **Programme 1: Administration**

#### **Linking performance with budgets**

The programme spent 95.5% of its adjusted budget during the 2017/18 financial year compared to 93% spent in 2016/17 financial year. The underspending is due to delay in recruitment process towards the appointment of four officials for the management of Infrastructure projects in line with Early Childhood Development Programme under conditional grant funding framework. Included to the underspending is the commitments for infrastructure payments for condition assessment projects not completed following the conditional grant implementation.

**Sub-programme expenditure**

Sub-Programme Name	2017/2018			2016/2017		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of MEC	8 520	7 239	1 281	8 470	6 925	1 545
Corporate Management	131 762	132 417	(655)	120 034	109 910	10 124
District Management	167 426	165 945	1 481	158 918	157 977	10 419
<b>Total</b>	<b>307 708</b>	<b>305 601</b>	<b>2 107</b>	<b>287 422</b>	<b>274 710</b>	<b>12 712</b>

**4.2. Programme 2: SOCIAL WELFARE SERVICES**

The programme provides integrated developmental social welfare services to the poor and vulnerable in partnership with stakeholders and civil society organisations through the following sub-programmes.

- Sub programme 2.1: Management and Support
- Sub programme 2.2: Services to Older Persons
- Sub programme 2.3: Services to the Persons with Disabilities
- Sub programme 2.4: HIV/AIDS
- Sub programme 2.5: Social Relief

Strategic objectives:

- Expand and accelerate developmental social service delivery to the poor, vulnerable and special focus groups.

<b>Programme Name : Social Welfare Services</b>					
<b>Strategic objectives</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
<b>Sub programme : Services to Older Persons</b>					
Expand and accelerate developmental social service delivery to the poor, vulnerable and special focus groups	18 390	18 278	19 572	+1 294	Intensified marketing and publicity of the program.
<b>Sub Programme : Services to Persons with Disabilities</b>					
Expand and accelerate developmental social welfare service delivery to the poor, vulnerable and special focus groups	4 327	4 314	4 760	+446	Intensified marketing and publicity of the program.
<b>Sub programme : HIV and AIDS</b>					
Expand and accelerate developmental social welfare service delivery to the poor,	53 763	53 100	58 083	4 983	Collaboration with other stakeholders

<b>Programme Name : Social Welfare Services</b>					
<b>Strategic objectives</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
vulnerable and special focus groups.					
<b>Sub programme : Social Relief</b>					
Expand and accelerate developmental social welfare service delivery to the poor, vulnerable and special focus groups.	9 512	12 000	13 330	+1 330	The number of cases assessed through the Zero hunger programme were more during the period under review (Collaboration with other stakeholders)

### Performance indicators

<b>Programme: Social Welfare Services</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
<b>Sub-Programme: Services to Older Persons</b>					
Number of residential facilities for older	7	8	8	0	None

<b>Programme: Social Welfare Services</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
persons.					
Number of older persons accessing residential facilities.	559	578	588	+10	The increase is due to the admission in the independent living flats attached to funded residential facilities
Number of older persons accessing community based care and support services.	17 831	17 700	18 984	+1 284	The demand for service exceeded the planned target
<b>Sub-Programme: Service to Persons with Disabilities</b>					
Number of residential facilities for persons with disabilities.	3	3	3	0	None
Number of persons with disabilities accessing residential facilities.	295	294	294	0	None
Number of	4 032	4 020	4 466	+446	The demand for

<b>Programme: Social Welfare Services</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
persons with disabilities accessing services in funded protective workshops.					service exceeded the planned target
<b>Sub-Programme: HIV and AIDS</b>					
Number of organizations trained on social and Behaviour change programmes.	108	120	151	+31	Additional organizations attended the training session
Number of beneficiaries reached through social and behaviour change programmes.	30 452	32 800	33 030	+230	Training of 31 additional organizations contributed to the output
Number of beneficiaries receiving psycho-social support services.	23 311	20 300	25 053	+4 753	Collaboration with stakeholders e.g. Health, Education)  Training of 31 additional

<b>Programme: Social Welfare Services</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
					organizations contributed to the output
<b>Sub-Programme: Social Relief</b>					
Number of beneficiaries who benefited from DSD social relief programs.	9 512	10 700	13 330	+2 630	The number of cases assessed through the Zero hunger programme were more during the period under review

**Strategy to overcome areas of under performance**

None

**Changes to planned targets**

None

**Linking performance with budgets**

The programme spent 98.6% of its adjusted budget during the 2017/18 financial year compared to 99% spent in 2016/17 financial year. The underspending is due to incorrect linkage of employees paid from HIV/Aids Programme sub programme.

Included to the underspending is the commitments for procurement of laptops under machinery and equipment funded as priority – tools of trade during 2017/18 Appropriation Budget. The delay was due to late delivery of minor assets or office furniture for tools of trade received during March 2018.

**Sub-programme expenditure**

Sub-Programme Name	2017/2018			2016/2017		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Management and Support</b>	92 322	92 401	(79)	79 724	71 003	3 355
<b>Services to Older Persons</b>	98 318	100 643	(2 325)	79 381	77 735	1 646
<b>Services to the Older Person with Disabilities</b>	92 698	89 611	3 087	76 513	77 601	(1 088)
<b>HIV/AIDS</b>	64 443	61 956	2 583	73 232	73 201	31
<b>Social Relief</b>	1 051	618	433	1 001	675	326
<b>Total</b>	<b>348 832</b>	<b>345 229</b>	<b>3 603</b>	<b>309 851</b>	<b>309 851</b>	<b>4 363</b>

**4.3. PROGRAMME 3: CHILDREN & FAMILIES**

This provides comprehensive child and family care and support services to communities in partnership with stakeholders and civil society organisations through the following sub programmes.

Sub programme 3.1: Management and Support

Sub programme 3.2: Care and Support Services to Families

Sub programme 3.3: Child Care and Protection Services

Sub programme 3.4: ECD and Partial Care

Sub programme 3.5: Child and Youth Care Centres

Sub programme 3.6: Community-Based Care Services for Children

## Strategic objectives

- Expand and accelerate developmental social services to vulnerable children and poor families.

<b>Programme Name: CHILDREN &amp; FAMILIES</b>					
<b>Strategic objectives</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
<b>Sub programme: Care and services to families</b>					
Expand and accelerate developmental social welfare service delivery to the poor, vulnerable and special focus group	56 299	54 374	82 584	+28 210	Awareness campaigns related to family issues contributed to participation of additional families.
<b>Sub programme: Child Care and protection Services</b>					
Expand and accelerate developmental social welfare service delivery to the poor, vulnerable and special focus group	24 984	30 040	30 540	+500	Children in foster care and those presented with behaviour problems led to the high demand for service
<b>Sub programme: ECD and Partial Care</b>					
Expand and accelerate	187 793	190 000	200 793	+10 793	The increase in the number of

<b>Programme Name: CHILDREN &amp; FAMILIES</b>					
<b>Strategic objectives</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
developmental social welfare service delivery to the poor, vulnerable and special focus group					registered centres contributed to the increase in access
<b>Sub programme: Child and Youth Care Centres</b>					
Expand and accelerate developmental social welfare service delivery to the poor, vulnerable and special focus group	1 078	1 115	982	-133	Children placed in less restrictive environment
<b>Sub programme: Community - Based Care Services for Children</b>					
Expand and accelerate developmental social welfare service delivery to the poor, vulnerable and special	58 432	56 700	62 002	+ 5 302	Children are attracted to After School Care Programmes in Community based care services.

<b>Programme Name: CHILDREN &amp; FAMILIES</b>					
<b>Strategic objectives</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
focus group					

### Performance indicators

<b>Programme: Children &amp; Families</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
<b>Sub-Programme: Care and Services to families</b>					
Number of families participating in family preservation Services.	43 987	44 039	63 383	+19 344	Implementation of Sinovuyo Parenting Programme attracted more families to participate in the programme
Number of family members reunited with their families.	722	711	734	+23	Positive response to family reunification programs
Number of families	11 590	9 624	18 467	+8 843	Implementation of Sinovuyo Parenting Programme

<b>Programme: Children &amp; Families</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
participating in the parenting skills programme.					attracted more families to participate in the programme
<b>Sub programme: Child Care and Protection Services</b>					
Number of orphans and vulnerable children receiving psychosocial services.	21 189	30 040	30 540	+500	Children in foster care and those presented with behaviour problem led to the high demand for service
Number of children awaiting Foster care placement.	1 266	1 800	1 678	-122	Few clients were found to be in need of care and protection on Foster care assessment
Number of children placed in foster care.	2 529	2 806	3 168	+362	The appointment of new Social workers assisted in finalization of cases
<b>Sub-Programme: ECD and Partial Care</b>					
Number of fully registered ECD centres	34	35	123	+88	35 ECD centers constructed by the National Lotteries Commission and Blouberg

<b>Programme: Children &amp; Families</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
					Municipality met all registration requirements 53 which were conditionally registered were upgraded to full registration
Number of fully registered ECD programmes.	19	25	53	+28	Many ECD Practitioners were trained by the training agent on NQF level 4 and 5 leading to full registration of the programme
Number of conditionally registered ECD centres.	275	240	232	- 8	Assessed ECD centres were rejected by the Environmental Health Practitioners therefore not meeting registration requirements
Number of conditionally registered ECD	106	90	135	+45	Many ECD Practitioners were trained by various institutions on NQF

<b>Programme: Children &amp; Families</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
programmes.					level 4 and 5 leading to conditional registration of the programme
Number of children accessing registered ECD programmes.	187 793	190 000	200 793	+10 793	The increase in the number of registered centres contributed to the increase in access
Number of subsidised children accessing registered ECD programmes.	93 414	92 700	99 751	+7 051	The increase is due to conditional grant provided
Number of ECD practitioners in registered Early Childhood Development programmes.	3 612	3 075	3 779	+704	Improved coordination with Dept. of Education and other accredited training institutions
<b>Sub-Programme: Child and Youth Care Centres</b>					

<b>Programme: Children &amp; Families</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
Number of Child and Youth Care Centre	19	19	19	0	None
Number of children in need of care and protection in funded Child and Youth Care Centres.	1 078	1 115	982	-133	Children placed in less restrictive environment such as placement with families
<b>Sub-Programme: Community-Based Care Services for Children</b>					
Number of Child and Youth Care Worker trainees who received training through ISIBINDI model.	284	334	363	+29	Savings from the contracted amount led to additional trainees on ISIBINDI model
Number of children accessing services	13 560	14 700	15 605	+ 905	The increase in Child and Youth Care Worker Trainees resulted in

<b>Programme: Children &amp; Families</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
through the ISIBINDI model.					additional children accessing ISIBINDI model
Number of children accessing services in registered Drop In Centres.	44 872	42 000	46 397	+ 4 397	Children are attracted to After School Care Programmes in DIC

**Strategy to overcome areas of under performance**

<b>Underperformed indicators</b>	<b>Strategy to overcome areas of under performance</b>
Number of children awaiting Foster care placement	Raise the marketing effort on the service
Number of children in need of care and protection in funded Child and Youth Care	Continue placing children in less restrictive environments
Number of conditionally registered ECD centres	Seek alternative placement for children in unregistered ECD centres which have been rejected by the Municipality

**Changes to planned targets**

None

**Linking performance with budgets**

The programme spent 99.9% of its adjusted budget during the 2017/18 financial year compared to 99% spent in 2016/17 financial year.

Management and support sub programme under spent its budget allocation under compensation of employees 'budget allocation due to delay in appointment of four officials for the management of infrastructure projects in implementation of ECD Programme for conditional grant funding for condition assessments under goods and services.

**Sub-programme expenditure**

Sub- Programme Name	2017/2018			2016/2017		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management and Support	23 418	21 587	2 731	28 549	26 477	2 072
Care and Support Services to Families	23 305	20 085	3 220	71 014	68 670	2 344
Child Care and Protection Services	231 563	211 283	20 280	128 650	128 878	(228)
ECD and Partial Care	351 352	367 037	(15 685)	343 817	339 366	4 451
Child and Youth Care Centres	79 935	92 348	(12 413)	63 222	81 386	(18 164)
Community-Based Care Services for	93 300	94 694	4 606	101 000	91 026	9 974

Sub- Programme Name	2017/2018			2016/2017		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Children						
<b>Total</b>	<b>809 773</b>	<b>807 034</b>	<b>2 739</b>	<b>736 252</b>	<b>735 803</b>	<b>450</b>

#### 4.2.4. PROGRAMME 4: RESTORATIVE SERVICES

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

Sub programme 4.1: Management and Support

Sub programme 4.2: Crime Prevention and Support

Sub programme 4.3: Victim Empowerment Programme

Sub programme 4.4: Substance Abuse, Prevention, Treatment and Rehabilitation

#### Strategic objectives:

- Expand and accelerate developmental social welfare service delivery to the poor, vulnerable and special focus group.

Programme Name: Restorative Services					
Strategic objectives	Actual Achievement 2016/ 2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
<b>Sub Programme: Crime prevention and support</b>					
Expand and accelerate	1 605	1 400	1 612	+212	Children committed theft and

Expand and accelerate developmental social welfare service delivery to the poor, vulnerable and special focus group	1 605	1 400	1 612	+212	Children committed theft and housebreaking in groups
<b>Sub Programme: Victim Empowerment</b>					
Expand and accelerate developmental social welfare service delivery to the poor, vulnerable and special focus group	14 925	17 581	15 861	-1 720	Number depends on cases reported
<b>Sub Programme: Substance Abuse, Prevention ,Treatment and Rehabilitation</b>					
Expand and accelerate developmental social welfare service delivery to the poor, vulnerable	327 642	310 700	401 783	+91 083	Collaboration with other stakeholders

**Performance indicators**

<b>Programme : Restorative Services</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
<b>Sub-programme: Crime Prevention and Support</b>					
Number of children in conflict with the law assessed.	1 605	1 400	1 612	+212	Number depends on the cases reported by SAPS
Number of children in conflict with the law. Awaiting trial in secure care centres.	418	130	91	-39	The desired performance was to reduce the number of children in conflict with the law
Number of sentenced children in secure care centres.	28	35	27	-8	The desired performance was to reduce the number of children committing crime
Number of children in conflict with the law referred to diversion programmes.	647	900	754	-146	The desired performance was to reduce the number of children committing crime

<b>Programme : Restorative Services</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
Number of children in conflict with the law who completed diversion programmes.	540	1 000	706	-294	Ensure that all the children referred for diversion complete the programme
<b>Sub-Programme: Victim Empowerment</b>					
Number of funded victim empowerment programme service Centres.	67	74	76	+2	Additional centres funded
Number of victims of crime and violence accessing Services from funded victim empowerment programme service centres.	14 910	17 569	15 841	-1 728	Few cases referred from SAPS, Community and Community Based Organizations.
Number of victims of human trafficking	0	12	20	+8	Provide restorative and healing services

<b>Programme : Restorative Services</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
identified.					
Number of Human trafficking victims who accessed social services.	15	12	18	+6	The number depended on number of cases referred and reported.
<b>Sub-programme: Substance Abuse, Prevention ,Treatment and Rehabilitation</b>					
Number of children younger than 18 years reached through substance abuse prevention programmes.	195 918	184 000	230 099	+46 099	Collaboration with other stakeholders yielded an increase in the number of children reached through the programme
Number of people (18 and above) reached through substance abuse prevention programmes.	131 090	126 000	170 918	+44 918	Collaboration with other stakeholders yielded an increase in the number of people reached through the programme
Number of	0	50	0	-50	The centre was not

<b>Programme : Restorative Services</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
service users who accessed in-patient treatment services at funded treatment centres.					yet operational during the financial year
Number of service users who accessed out-patient based treatment services.	634	700	766	+66	Collaboration with SANCA and outpatient team resulted in more people accessing services

**Strategy to overcome areas of under performance**

<b>Underperformed indicators</b>	<b>Strategy to overcome areas of under performance</b>
Number of children in conflict with the law. Awaiting trial in secure care centres.	The desired performance was to reduce the number of children in conflict with the law
Number of sentenced children in secure care	The desired performance was to reduce the number of children committing crime
Number of children in conflict with the law referred to diversion programmes.	The desired performance was to reduce the number of children committing crime
Number of children in conflict with the law who completed diversion programmes.	Ensure that all the children referred for diversion complete the programme
Number of victims of crime and violence accessing Services from funded victim empowerment programme service centres.	Few cases referred from SAPS, Community and Community Based Organizations.
Number of service users who accessed in-patient treatment services at funded treatment centres	Provide services to users as soon as the centre is operational- To activate the centre during the 2018/19 financial year

**Changes to planned targets**

None

**Linking performance with budgets**

The programme spent 99.8% of its adjusted budget during the 2017/18 financial year which is a decrease to expenditure percentage of 99% as in the 2016/17 financial year.

Substance Abuse sub-programme under spent the overall budget due to delay in implementation of operationalisation process for Seshego Treatment Centre funding appropriated during 2017/18 Adjustment Budget,

Victim Empowerment recorded an over spending under compensation of employees due to wrong linkage of employees paid from another programme.

**Sub-programme expenditure**

Sub- Programme Name	2017/2018			2016/2017		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Management and Support</b>	18 802	10 853	7 949	10 948	19 155	(8 207)
<b>Crime Prevention and Support</b>	58 534	68 671	(10 137)	56 766	56 977	(211)
<b>Victim Empowerment</b>	49 452	63 667	(14 215)	63 692	61 068	2 624
<b>Substance Abuse, Prevention and Rehabilitation</b>	51 133	33 548	17 585	36 191	30 009	6 182
<b>Total</b>	<b>177 921</b>	<b>176 739</b>	<b>1 182</b>	<b>167 597</b>	<b>167 209</b>	<b>388</b>

**4.2.5 PROGRAMME 5: DEVELOPMENT AND RESEARCH**

The purpose of the programme is to provide sustainable development programmes which facilitate empowerment of communities, based on empirical research and demographic information.

This programme is implemented through the following sub – programmes-:

Sub programme 5.1: Management and Support

Sub programme 5.2: Community Mobilisation

Sub programme 5.3: Institutional Capacity Building and Support for NPOs

Sub programme 5.4: Poverty Alleviation and Sustainable Livelihoods

Sub programme 5.5: Community Based Research and Planning

Sub programme 5.6: Youth Development

Sub programme 5.7: Women Development

Sub programme 5.8: Population Policy Promotion

**Strategic objectives:**

- Increased access to community intervention services to vulnerable Households.

<b>Programme Name: Development and Research</b>					
<b>Strategic objectives</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
<b>Sub programme : Community Mobilization</b>					
Increased access to community intervention services to vulnerable Households.	29 334	22 000	31 995	+9 995	Effective mobilisation and collaboration with stakeholders
<b>Sub programme: Institutional Capacity Building and Support for NPOs</b>					
Increased access to community intervention services to vulnerable Households.	8 001	6 998	8 064	+1 066	NPO road shows, awareness on registration and compliance contributed to additional sessions
<b>Sub programme : Poverty Alleviation and Sustainable Livelihoods</b>					
Increased access to community intervention services to vulnerable Households.	166 588	184 375	192 690	+8 315	Effective coordination between programmes
<b>Sub programme : Community Based Research and Planning</b>					

<b>Programme Name: Development and Research</b>					
<b>Strategic objectives</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
Increased access to community intervention services to vulnerable Households.	20 178	22 000	26 290	+4 290	Due to ministerial outreach programmes
<b>Sub programme : Youth Development</b>					
Increased access to community intervention services to vulnerable Households.	27 198	23 100	28 913	+5 813	Effective collaboration with stakeholders
<b>Sub programme : Women Development</b>					
Increased access to community intervention services to vulnerable Households.	22 461	20 800	24 430	+3630	Effective collaboration with stakeholders
<b>Sub programme : Population Policy Promotion</b>					
Increased access to community intervention services to	1 816	1 600	1 766	+166	Effective collaboration with stakeholders

Programme Name: Development and Research					
Strategic objectives	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
vulnerable Households.					

### Performance indicators

Programme : Development and Research					
Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
<b>Sub-Programme: Community Mobilization</b>					
Number of people reached through community mobilization programmes.	29 334	22 000	31 995	+9 995	More people were reached due to collaboration with stakeholders, such as Municipalities and traditional authorities
<b>Sub-Programme: Institutional capacity building and support of NPOs</b>					

<b>Programme : Development and Research</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
Number of funded NPOs.	2 607	3 298	2 742	-556	NPOs not funded due to budgetary constraints and others because of non-compliance with funding requirements
Number of NPOs capacitated according to the capacity building guideline.	5 394	3 700	5 322	+1 622	Partnership with National Department of Social Development increased number of NPO road shows
<b>Sub-Programme: Poverty Alleviation &amp; Sustainable Livelihoods</b>					
Number of poverty reduction initiatives supported.	20	20	15	-5	The five (5) were not funded as they were not complying with the Central Supplier Database requirements.
Number of people benefiting from poverty reduction initiatives.	1 734	1 300	1 470	+170	The number increased due to additional Community

<b>Programme : Development and Research</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
					Nutrition Development Centres (CNDCs) and benefits derived from funded projects
Number of Households accessing food through DSD food security programmes	4 853	4 050	5 722	+1 672	The increase is due to extended community mobilisation programmes where more households were profiled and found to be in need of food security
Number of people accessing food through DSD feeding programmes. (centre Based)	166 854	183 075	191 220	+8 145	Effective coordination between programmes
<b>Sub-Programme: Community Based Research and Planning</b>					
Number of households profiled.	20 178	22 000	26 290	+4 290	Due to ministerial/ MEC's outreach programmes during

<b>Programme : Development and Research</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
					international poverty eradication day, child protection week and population day
Number of communities profiled in a ward.	64	70	77	+7	Communities profiled in preparation for social development events (international poverty eradication day, child protection week and population day)
Number of community Based plans developed.	44	35	35	0	None
<b>Sub-Programme: Youth Development</b>					
Number of youth development structures supported	10	10	6	-4	The four (4) were not funded as they were not complying with the Central Supplier Database

<b>Programme : Development and Research</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
					requirements.
Number of youth participating in skills development programmes.	328	500	1 654	+1 154	The number increased due to collaboration with other partners, namely NYDA, LEDA, SEDA and TVETs
Number of youth participating in Youth mobilization programmes.	17 174	14 000	17 083	+3 083	Effective collaboration with stakeholders such as Municipalities and traditional authorities
Number of youth participating in entrepreneurship development programmes.	9 686	8 600	10 176	+1 576	The number increased due to collaboration with other partners, namely NYDA, LEDA, SEDA and TVETs
<b>Sub-Programme: Women Empowerment</b>					
Number of women participating in empowerment programmes.	22 461	20 800	24 430	+3 630	Women participated more in empowerment programmes offered
<b>Sub-programme: Population Policy Promotion</b>					

<b>Programme : Development and Research</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
Number of population capacity development sessions conducted.	17	17	17	0	None
Number of individuals who participated in population capacity development sessions.	1 816	1 600	1 766	+166	Effective collaboration with stakeholders
Number of population Advocacy, Information, education and communication (IEC) activities implemented.	1	1	1	0	None
Number of Population Policy Monitoring and Evaluation report produced.	1	-	-	-	-
Number of research projects completed.	2	1	1	0	None
Number of demographic profile	1	-	-	-	-

<b>Programme : Development and Research</b>					
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target 2017/2018</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement for 2017/2018</b>	<b>Comment on deviations</b>
projects completed.					

**Strategy to overcome areas of under performance**

<b>Underperformed indicators</b>	<b>Strategy to overcome areas of under performance</b>
Number of funded NPOs.	Payment of accruals to outstanding NPOs during the first quarter 2018-19
Number of poverty reduction initiatives supported.	Review funding guideline to incorporate Central Supplier Database (CSD) provisions/requirements
Number of youth development structures supported	Review funding guideline to incorporate Central Supplier Database (CSD) provisions/requirements

**Changes to planned targets**

None

**Linking performance with budgets**

The programme spent 99.7% of its adjusted budget during the 2017/18 financial year, which is the same expenditure percentage as in the 2016/17 financial year. Management Support sub programme over spent its budget allocation under compensation of employees programme due to an incorrect linkage of employees paid from this sub programme.

**Sub-programme expenditure**

Sub- Programme Name	2017/2018			2016/2017		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Management and Support</b>	112 901	137 594	(24 693)	122 104	135 699	(13 595)
<b>Community Mobilisation</b>	2 469	1 384	1 085	2 351	1 546	805
<b>Institutional Capacity and Support for NGO</b>	16 053	12 992	3 061	18 092	15 368	2 724
<b>Poverty Alleviation and Sustainable Livelihoods</b>	33 013	15 942	17 071	22 008	14 179	7 829
<b>Community Based Research and Planning</b>	600	453	147	1 962	882	1 080
<b>Youth Development</b>	10 650	8 405	2 245	5 788	5 737	51
<b>Women Development</b>	4 500	2 668	1 832	1 662	970	692
<b>Population Policy and Promotion</b>	4 396	2 848	1 548	4 750	3 665	1 085
<b>Total</b>	<b>185 582</b>	<b>182 286</b>	<b>2 296</b>	<b>178 717</b>	<b>178 046</b>	<b>671</b>

## 5. TRANSFER PAYMENTS

### 5.1 Transfer payments to public entities

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity (R'000)	Amount spent by the public entity (R'000)	Achievements of the public entity
National Development Agency	Training for non-profit organizations	4 000	4 000	The training was attended by 200 NPOs on financial management, corporate governance and conflict management modules.
<b>TOTAL</b>		4 000	4 000	

Name of transferee	Type of organization	Purpose for which the funds were used	Did the dept. comply with s 38(1)(j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
<b>Prevention treatment and rehabilitation services</b>	NPOs	Provide prevention treatment and rehabilitation services to the communities	yes	5 022	4 319	Delay in submission of claims from NPOs
<b>Care and support services for older persons</b>	NPOs	Provide protection , care and support services within communities and institutions	Yes	31 700	31 700	N/A
<b>Child and Youth Care Centres</b>	NPOs	To provide care and support for children declared in need of care	Child and Youth Care Centres	18 472	18 472	N/A
<b>Victim Empowerment</b>	NPOs	Provide counselling to victims of crime and violence in funded sites	Victim Empowerment	14 988	14 988	N/A
<b>Community based care</b>	NPOs	To reduce the psycho-social impact on individuals and families infected and affected by HIV and AIDS	Community based care	113 000	113 000	N/A
<b>Care and support to families</b>	NPOs	Provide integrated services to families	Care and support services to families	16 700	16 700	N/A
<b>Youth Development</b>	NPOs	Empowering youth structures to conduct services for youth development	Yes	1 437	1 437	N/A

<b>Community based projects</b>	NPOs	Reduce vulnerability in poor households and communities	yes	15 116	10 513	Delay in submission of claims from NPOs
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## 5.2 Transfer payments to all organizations other than public entities

The table below reflects the transfer payments, which were budgeted for in the period 1 April 2016 to 31 March 2017, but no transfer payments were made.

<b>Name of transferee</b>	<b>Purpose for which the funds were used</b>	<b>Amount budgeted for (R'000)</b>	<b>Amount transferred (R'000)</b>	<b>Reasons for the funds unspent by the entity</b>
Prevention treatment and rehabilitation services	Provide prevention treatment and rehabilitation services to the communities	5 022	4 319	Delay in submission of claims from NPOs
<b>Community based projects</b>	Reduce vulnerability in poor households and communities	15 116	10 514	The disputes with the Service provider against the service level agreement

## 6. CONDITIONAL GRANTS

### 6.1. Conditional grants and earmarked funds paid

None

### 6.2. Conditional grants and earmarked funds received

The receiving Department should include the following information in the annual report on conditional grants received:

The Department was able to create 188 jobs with the incentive grant received from National Department of Public Works as allocated. The Department complied with the DORA requirements.

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2017 to 31 March 2018.

Conditional Grant: Extended Public Works Programme – Incentive.

Department who transferred the grant	Public Works
Purpose of the grant	Facilitate the achievement of the 2016/17 Social Sector work opportunities targets
Expected outputs of the grant	Monitor and support implementation of the plan
Actual outputs achieved	To pay stipend
Amount per amended DORA	R 8 978 000.00
Amount received (R'000)	R 8 8978 000.00
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R 8 973 000.00
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	The Department will continue to recruit EPWP workers focusing on unemployed people, without discriminating against gender, age and educational level.
Monitoring mechanism by the receiving Department	Standard reporting tool per prescripts

**Earmarked funds received**

Department who transferred the grant	None
Purpose of the grant	N/A
Expected outputs of the grant	N/A
Actual outputs achieved	N/A
Amount per amended	Nil
Amount received (R'000)	Nil
Reasons if amount not received	N/A
Amount spent by the Department (R'000)	Nil
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving Department	N/A

## 7. DONOR FUNDS

### 7.1. Donor Funds Received

- Donor Fund HWSETA:

Name of donor	HWSETA
Full amount of the funding	R4 005 000.00
Period of the commitment	2016/17 financial year
Purpose of the funding	Re-imburement of the expenditure incurred against development and training of staff.
Expected outputs	Re-imburement of the expenditure incurred against development and training of staff.
Actual outputs achieved	Clearance of development and training expenditure from CoE programme.
Amount received in current period (R'000)	R14 220 000.00
Amount spent by the Department (R'000)	R14 220 000.00
Reasons for the funds unspent	Training and development costs were not paid due to delays in procurement processes.
Monitoring mechanism by the donor	Standard reporting tool per prescripts

## 8. CAPITAL INVESTMENT

### 8.1. Capital investment, maintenance and asset management plan

No.	Project	Progress	Expected completion date
1	Seshego Treatment Centre	Practical completion achieved in September 2017. Facility is ready to be utilised for its intended purpose once the Municipality issue an Occupation Certificate.	Completed
2	Iris Children's Home	Project completed	Operational

3	Mtsetweni Children's Home	Project completed. The Department is finalising appointment of staff to operationalize the centre.	Completed
4	Mafefe Drop in Centre	Project completed	Operational
5	Thohoyandou Children's home	Project completed	Operational
6	Vukuzenzele Community Rehabilitation Centre	Project completed	Operational

Infrastructure projects	2017/2018			2016/2017		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	0	0	0	0	0	0
Existing infrastructure assets	0	0	0	0	0	0
- Upgrades and additions	<b>30 139</b>	<b>30 690</b>	<b>(551)</b>	<b>32 996</b>	<b>23 545</b>	<b>9 451</b>
- Rehabilitation, renovations and refurbishments	0	0	0	0	0	0
- Maintenance and repairs	<b>10 667</b>	<b>9 890</b>	<b>777</b>	<b>7 961</b>	<b>5 660</b>	<b>2 301</b>
Infrastructure transfer	0	0	0	0	0	0
- Current	0	0	0	0	0	0
- Capital	0	0	0	0	0	0
<b>Total</b>	<b>40 806</b>	<b>40 580</b>	<b>226</b>	<b>40 957</b>	<b>29 205</b>	<b>11 752</b>

## **PART C: GOVERNANCE**

## 1. INTRODUCTION

The Department is committed to strengthen and improve management administrative functions with a view of enhancing service delivery. To this effect, the following governance structures were in the year under review:

- District Performance Review Committee
- Branch Meeting
- Departmental Budget Committee
- Departmental Performance Review Committee
- Executive Management Committee
- Senior Management Committee
- Risk Management Committee
- Audit Steering Committee
- Extended Executive Management Meeting (Called by the MEC)

## 2. RISK MANAGEMENT

During the year under review, the Department of Social Development performed risk management at both strategic and operational levels. The Department has a functioning Risk Management Committee chaired by an independent chairperson.

The Department conducts risk assessment annually and not regularly due to the shortage of staff. The Department has Chief Risk Officer who is responsible for all Risk Management Matters. The Department has appointed a Risk Management Champions at the Provincial and District level.

The role of Risk Management Committee is to advice accounting officer on risk management matters, as well as assisting management in developing new mitigation plans on a quarterly basis for the ones that are not yielding the desired results. The Committee checks the controls and mitigations in place on a quarterly basis and advice management.

- The Department has an approved Risk Profile for the year under review
- The Department has an approved Risk Management plan
- The Department has an approved Risk Management Strategy and Implementation Plan.
- All Risk Management policies were distributed to employees.
- The Risk Committee held four quarterly meetings were issues of risk management were discussed.

## 3. FRAUD AND CORRUPTION

The Department has an approved Fraud Prevention Policy as well as the Fraud Prevention Plan. The plan is implemented through the Risk Management section.

Reported cases are investigated and recommendations are implemented. Risk Management oversees and monitors the implementation of recommendations as approved by the Head of Department. The Department conducts education awareness campaigns as a proactive measure of preventing fraud by employees of Social Development.

Whistle Blowers report allegations of Fraud and Corruption to the Head of Department while others report to Risk Management unit. During education awareness employees are also encouraged to use the National Anti-Corruption Hotline which is managed by PSC at the number 0800 701 701.

Risk Management through its sub unit of Anti-Fraud is responsible for investigation of all cases referred to the Department through various ways of reporting. Upon completion of investigations reports are sent to the Head of Department for approval.

- The Department investigated cases reported during the financial year. The Department is still having backlog cases due to shortage of personnel within the unit however; the Department has requested the assistance of Office of the Premier to investigate backlog cases.
- The Department conducted awareness campaigns in all Districts, educating employees on matters of Fraud and Corruption.
- The Department submitted monthly integrity reports to office of the Premier.

#### **4. MINIMISING CONFLICT OF INTEREST**

- The Department ensured that every member of the SMS has declared registrable interests and submitted to Public Service Commission.
- Declarations by members of Bid Adjudication Committees are done through completion of security clearance forms.
- Once conflict of interest is identified, the incumbent is recused to serve in the Bid Committee immediately.

#### **5. CODE OF CONDUCT**

The Code of conduct act as a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others. Compliance with the code enhances professionalism and help to ensure confidence in the Public Service.

The code of conduct further assist in providing direction to the employees with regard to their relationship with the political office bearers, executive and the public at large.

Employees who breach the code of conduct are subjected to disciplinary process.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

- The Department has an approved Safety, Health, Environment, Risk and Quality Management Policy.
- The Department procured summary copies of the Occupational Health and Safety Act and the selected regulations of the Occupational Health and Safety which were distributed in all district offices for display as required by the OHS Act and Regulations.
- Head of Department has appointed Director District Services and Heads of Institutions in terms of section 16.2 of the Occupational Health and Safety Act to manage and coordinate health and safety issues in all districts and institutions.
- Health and Safety Representatives are appointed in all districts offices and head office to help in assessing potential safety, environmental and health hazards.
- Occupational Health and Safety Committee Meetings are held quarterly to discuss health and safety issues in the workplace.
- The Department through Employee Health and Wellness periodically conducts Health and Safety awareness to employees.
- Health and Safety audits and assessments are continuously done in districts offices and institutions to identify potential health, environment and safety hazards.

## 7. PORTFOLIO COMMITTEES

7.1. The dates of the Portfolio Committee meetings were as follows:

18 August 2017  
 01 September 2017  
 12 September 2017  
 20 March 2018

Matters raised by the Portfolio Committee include amongst others the following

Matters Raised	Progress
Non functionality of Mtsweteni Children's Home and Seshego Treatment Centre	Operational budget for the two centres have been set aside for the 2018/2019 Financial year
Taking over by Government of the management of Shiluvane Frail Care centre due challenges raised by the community and workers	There is EXCO decision to extend the contract by six months while the new tender is being advertised based on the advice from both National Department Social Development and Health in the provision of integrated services to the centre due to the type of users

## 8. SCOPA RESOLUTIONS

### 2013/14 FINANCIAL YEAR

Resolution No	Subject	Details	Response by Department	Resolved (Yes/No)
RESOLUTION 1 Significant uncertainty	The Committee recommends that the MEC should provide a comprehensive	The Committee has heard and considered evidence that with reference to note 17.1 to the financial	Department is defending twenty-one (21) Three (03) cases were finalized as at 31 March 2018.	Not resolved

	e report on finished and unfinished cases	statements, the department is the defendant in a legal claim amounting to R45 000 000 (2014: R45 000 000). The department is opposing these claims as it believes it has reasonable grounds to defend each claim.	Defamation two (02) SCM related cases one (1) Motor Vehicle Accident (MVA) eighteen (18)	
RESOLUTION 2 Irregular Expenditure			The department incurred irregular expenditure amounting to R14 520 124.52 during 2014/15 financial year. An irregular expenditure to an amount of R 4 834 152.79 has been condoned. Payment of performance incentives R9 595 645.73 The matter has been referred to Provincial Treasury for assistance with regard to condonation	Not resolved
RESOLUTION	The	Executing	Secure care	Not resolved

<p>ON 3 Fruitless and wasteful expenditure</p>	<p>Committee recommends that the MEC should institute investigations into the circumstances which led to the department incurring the fruitless and wasteful expenditure and report the matter to Provincial Treasury and take steps to regularize it.</p>	<p>Authority, on page 174 of the report, the Auditor-General reports that as disclosed in note 23 to the financial statements, fruitless and wasteful expenditure to the amount of R3 514 000 (2014:R 222 000) was incurred due to penalties and interest</p>	<p>management contract - R3 486 992.90: The matter does not meet the definition of fruitless and wasteful expenditure Non-attendance of training - R7 314.42: The case has been investigated and the findings were that the official and the Hotel are responsible for R1 950.00. During the investigations it was noticed that the amount of R5 364.42 was erroneously calculated. The total amount has since been paid. Interest on Wesbank running cost - R1 164.47: The matter has been investigated and the department has referred the matter to Office of State Attorney for recovery.</p>	
<p>RESOLUTI ON 4 Compliance</p>	<p>The Committee recommends</p>	<p>The Committee has heard and considered</p>	<p>The M&amp;E Teams have been established at all levels to quality assure</p>	<p>Resolved</p>

with legislation	that the MEC should take appropriate action should be taken to address the anomaly.	evidence that that effective, efficient and transparent systems of risk management was not taken and internal control with respect to performance information and management was not maintained as required by section 38(1)(a)(i) of the PFMA	and review the reported data before being submitted to the provincial level for consolidation and submission. Tremendous progress has been recorded in the Annual Report 2015/16 due to the effectiveness of some of these measures as implemented hence the unqualified audit of predetermined objectives.	
RESOLUTION 5 Annual financial statements, performance and annual reports	The Committee recommends that the MEC must take appropriate action against the Accounting Officer and the Chief Financial Officer for this anomaly	The Committee has heard and considered evidence that that financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40 (1)(a) of the PFMA.	No action could be taken against the Accounting Officer as her contract came to an end in May 2016. A written warning was issued against the Chief Financial Officer.	Resolved
RESOLUTION	The	The Committee	The amount has been	Not resolved

<p>ON 6 Procurement and contract management</p>	<p>Committee recommends that the MEC should investigate circumstances that led to the Department awarding a tender of over R500 000.00 without inviting competitive bids, as required by TR 16A6.1</p>	<p>has heard and considered evidence that that goods and services of a transaction value of above R500 000 were procured without inviting competitive bids, as required by Treasury Regulations (TR) 16A6.1</p>	<p>condoned by Provincial Treasury.</p>	
<p>RESOLUTION 7 Human Resource management and compensation</p>	<p>The Committee recommends that the MEC should provide a detailed report on all funded vacant posts which were not filled within 12 months as required by Public Service Regulation 1/VII/C. 1A2 and advance</p>	<p>The Committee has heard and considered evidence that that funded vacant posts were not filled within 12 months as required by Public Service Regulation 1/VII/C. 1A.2.</p>	<p><b>The following post were filled</b> Director: GITO (01) Director: Risk Management (01) Deputy Director: Financial Management Services (01) SW Manager: NPO Support (01) Community Dev Supervisors (05) Child &amp; Youth Care Worker (02) Senior Provisioning Admin Officer: Demand (01)</p>	<p>Resolved</p>

	reasons why the positions remained vacant for more than 12 months		Artisan (01) Admin Clerk: NPO Support (20) Artisan (01) Driver/ Messenger (01)	
RESOLUTION 8 Asset Management	The Committee recommends that the MEC should develop implementable proper control systems to safeguard and maintain assets as required by section 38(1)(d) of the PFMA and TR 10.1.1(a).	The Committee has heard and considered evidence that proper control systems to safeguard and maintain assets were not implemented, as required by section 38(1)(d) of the PFMA and TR 10.1.1 (a).	<b>Physical Asset Verification –</b> The Department has developed physical asset verification plan which is to take place bi-annually <b>Issuance of Warning Letters –</b> The anomalies frequency encountered during physical asset verification include unavailability of assets allocated to various Asset Holders. <b>Establishment of Loss Control Committees –</b> The department established Loss Control Committees at all Cost-Centres to deal specifically with assets that have been lost by Asset Holders. <b>Inventory Lists –</b>	Not resolved

			<p>Updated Inventory Lists are issued and signed for by all Asset Holders immediately after verification of assets</p> <p><b>Asset Movement Forms</b> – When assets are moved permanently from their locations to the other, Asset Holders are required to complete Asset Movement Forms</p> <p><b>Asset Removal Permit</b> – No asset is permitted to leave the premises without a duly completed and signed Asset Removal Permit.</p> <p><b>Disposals</b> – During physical asset verification redundant and obsolete assets are identified and safeguarded in one location</p> <p><b>Migration from Excel Asset Register to</b></p>	
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			<p><b>BAUD –</b></p> <p>The department has completed the migration from Excel asset Register to BAUD. Scanners were purchased to upload the BAUD.</p>	
<p>RESOLUTION 9</p> <p>Internal control Leadership</p>	<p>The Committee recommends that the MEC must take appropriate action against the Accounting Officer and the Chief Financial Officer for this anomaly</p>	<p>The Committee has heard and considered evidence that financial statements and other information to be included in the annual report were not properly reviewed for accuracy and completeness by the accounting officer</p>	<p>No action could be taken against the Accounting Officer as her contract came to an end in May 2016. A written warning was issued against the Chief Financial Officer.</p>	<p>Resolved</p>
<p>RESOLUTION 10</p> <p>Other reports Investigations</p>	<p>The Committee recommends that the MEC should provide a comprehensive report on finished and</p>	<p>Executing Authority, on page 178 of the report, the Auditor-General reports that the following investigations were in progress</p>	<p>The department is having fifty three (53) cases that were under investigations. Forty one (41) cases were finalized and twelve (12) are still pending</p>	<p>Resolved</p>

	unfinished cases	at the reporting date		
QUESTION 11 Completed investigations	The Committee recommends that the MEC should provide a detailed report to this Honourable House into alleged procurement fraud involving a tender for a feeding scheme at the Place for Safety.	The Committee has heard and considered evidence that the department has completed investigations into alleged procurement fraud involving a tender for a feeding scheme at the Place for Safety. The official involved was given a final written warning	The investigation report recommended that action should be taken against the official. The investigation further recommended that monies erroneously paid to the two companies is recovered The matter is being handled with the assistance of the State Attorneys Polokwane. State Attorneys is in the process of issuing out summonses	Not resolved

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Department developed an audit action plan with twenty-six audit findings and managed to resolved/implement twenty-two findings. Four findings were not resolved by the end of financial year. The findings that were not resolved are assets not utilised for intended purposes, revenue management, infrastructure assets accounted for in the books of the department resulting in the asset register being misstated and transfer payments were not paid in accordance with the funding model and the funding letter

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
<ul style="list-style-type: none"> <li>• Irregular expenditure incurred in the previous year are still under investigations</li> <li>• Fruitless and wasteful expenditure incurred in the previous year are still under investigations</li> </ul>		<ul style="list-style-type: none"> <li>• The department has resolved an amount of R26 959 841.53 and continues to work on the remaining balances</li> <li>• The department has resolved an amount of R3 575 268.84 and continues to work on the remaining balances</li> </ul>

#### 10. INTERNAL CONTROL UNIT

Internal Control Unit has been consolidating information/reports for oversight bodies to ensure compliance with submission deadlines. The unit organized pre-audit teams comprising of management who assisted in monitoring compliance to augment service rendered by the limited personnel in the unit and acts as a coordinator for the Department for audit purposes with both internal and external audits.

#### 11. INTERNAL AUDIT AND AUDIT COMMITTEES

## Key activities and objectives of Provincial Internal Audit

Provincial Internal Audit provides an independent, objective assurance and consulting services that are designed to add value and improve Department of Social Development's operations. It assists the Department of Social Development accomplish its strategic, control and operations goals and objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of Governance, Risk Management and Internal Control processes.

## Summary of Provincial Internal Audit work performed

### Risk Based Audit

First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<ul style="list-style-type: none"> <li>Subsistence and Travelling Allowance</li> <li>Recruitment &amp; Termination</li> </ul>	<ul style="list-style-type: none"> <li>Child Care - Foster Care</li> <li>Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>Interim Financial Statements</li> <li>Transfer Payments</li> </ul>	<ul style="list-style-type: none"> <li>Asset Management</li> <li>Non-Profit Organisation and Early Childhood Development</li> </ul>

### Performance Audit

First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<ul style="list-style-type: none"> <li>Annual Performance Plan</li> <li>Value for Money on Funded Projects</li> <li>Services to Persons with Disabilities</li> </ul>	<ul style="list-style-type: none"> <li>Service Delivery Improvement Plan</li> </ul>	<ul style="list-style-type: none"> <li>Food Security</li> </ul>	None

### Information Systems Audit

First Quarter	Second Quarter	Third Quarter	Fourth Quarter
None	None	None	<ul style="list-style-type: none"><li>• General Control Review</li></ul>

### Fraud Audit

First Quarter	Second Quarter	Third Quarter	Fourth Quarter
None	None	<ul style="list-style-type: none"><li>• General Fraud Risk</li></ul>	None

## **REPORT OF THE AUDIT COMMITTEE ON THE DEPARTMENT OF SOCIAL DEVELOPMENT**

We present our report for the financial year ended 31 March 2018.

### **Audit Committee Structure**

Limpopo Provincial Government has an Audit Committee which is two-tiered consisting of 4 Cluster Audit Committees. The first-tier deals with specific departments whilst the second is a shared Central Audit Committee.

### **Audit Committee Responsibility**

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

### **Stakeholder Engagement/s**

The committee has been able to engage with the following stakeholders:

- MEC of Finance
- MEC Department of Social Development
- DSD Management
- Limpopo Provincial Internal Auditors
- Limpopo Provincial Treasury
- Limpopo Provincial Auditor (AGSA)

### **Audit Committee Skills Development**

A strategic session was held during the last quarter of the financial year to assist the audit committee members better understand their challenging roles and the direction of the province in general.

### **The Effectiveness of Internal Control**

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

### **The following were areas of concern:**

Whilst the department reflected the required rigour in the management of material control weaknesses identified, there were some that had been raised before but had not yet been resolved. As a result, the Audit Committee will continue to monitor management's action plan in response to all unresolved findings.

### **Risk Management**

The department has an independent risk management committee chairman. The objective is to ensure that a non-conflicted party chairs the committee. There is a risk assessment process in place as well as the resultant risk register. The top ten (10) risks will continue to be monitored by the audit

committee on a quarterly basis; with special attention paid to remedial actions and residual risk exposures. This will be in addition to the efforts of the risk management committee.

### **Funding of the Departmental Budget/ Possible Going Concern Risk**

During the current financial year, the department brought to the attention of the existing budgetary constraints arising from how they are funded since separating from department of health. It seems that the department is underfunded therefore there is a potential risk of “going concern”. This matter was raised with the executing authorities of both department of social development as well as Treasury.

### **Compliance with the relevant laws and regulations**

A few non-compliance/s with the enabling laws and regulations were noted by Audit Committee, Management, Internal Audit and AGSA. The Audit Committee recommended development and implementation of an effective compliance management system in order to address the issues of non-compliance and monitor compliance with laws and regulations on a frequent basis.

### **In-Year Management and Monthly/Quarterly Report**

The department has reported monthly and quarterly to the Treasury as is required by the PFMA. In addition at all audit committee meetings the department has presented quarterly reports for review and or consideration by us. The overall expenditure for the year amounted to 99.3% of the total budget which is within the tolerable variance.

### **Evaluation of Financial Statements**

We reviewed the annual financial statements prepared by the department at the audit committee meeting held on 30 May 2018 and recommended them for audit.

### **Evaluation of Performance Information**

At the same audit committee meeting we evaluated performance tables and recommended them for audit after further refinement by management.

### **Auditor General's Report**

Finally the Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General. Furthermore the committee commends management on receiving an unqualified report on both financial statements as well as on performance information. We do recommend however that the Accounting Officer develops a strategy to address any findings contained in the management letter to enable sustainability of this level of performance.



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**B Ngunjiri**  
**Chairperson of the Audit Committee**  
**The Department of Social Development**  
**Date 31 July 2018B**

# **PART D: HUMAN RESOURCE MANAGEMENT**

## 1. INTRODUCTION

The Department's organizational structure is based on five (5) programmatic pillars i.e. Programs 1, 2, 3, 4 and 5. With additional budget programme structure, the Department has reviewed and align the organizational structure with the five (5) programs introduced by National Social Development. This will ensure proper allocation of personnel with budget.

Following the DPSA directive, the Department engaged in the PERSAL clean-up process, which among others resulted in all unfunded vacant position being abolished. During the year under review, the Department managed to fill 255 of the 369 funded posts.

With regard to skills development interventions, the Department implemented management development programs for all levels of employees (Foundation Program, Management Development Program, Emerging Management Program, and Executive Leadership Program).

### OVERVIEW OF HUMAN RESOURCES

- The Department reviewed its organisational structure in 2016 with a view of aligning with the budget structure and compliance to the Provincial Personnel Management Framework (PPMF). The vacancy rate for the entire Department has decreased from 55.02% to 54.7%. The current status of posts is as follows:

#### **Support Staff:**

Filled posts: 689

Vacant posts: 1 108

#### **Social Welfare Services:**

Filled post: 1 914

Vacant posts: 1 944

### **Community Development Services:**

Filled posts: 359

Vacant posts: 526

- The MTEF HR Plan provides an overview of the Department's human resources requirements over the next three years.
- Strategic HR Plan is developed to ensure that the workforce supply matches current and future demands. In addition, the Departmental HR Plan sets out the issues, evidence and strategies required to deliver a sustainable workforce capable of continuing to deliver high quality social services to the people of Limpopo.

## **2. HUMAN RESOURCE ACHIEVEMENTS.**

- All unfunded posts were abolished through PERSAL clean-up process.
- The Department implemented all PSCBC resolution concluded in 2015/16. E, g resolution on danger allowance, resolution on housing allowance etc.
- The Department has finalised four Human Resource Policies on Wellness Management, Safety, Health, Environment, Risk and Quality Management, Health and Productivity Management and Workplace HIV and AIDS. Workshops have been conducted to familiarise the employees on the said policies. .
- The CCMA awarded two (2) arbitrations in favour of the Department.
- All members of Senior Management Services disclosed their financial interest on time.
- The department is gradually addressing the shortage of tools of trade amongst social service professionals.

## **3. CHALLENGES FACED BY THE DEPARTMENT**

- The Department is not able to absorb all graduates who completed their studies starting from 2013 academic year due to budgetary constraints.

- Funding for absorption of the graduates is not aligned with the number of graduates per province hence the province will not be able to appoint additional graduates in the coming financial years.
- Occupation Specific Dispensation (OSD) for Social Services Professions was implemented with the intention to recruit and retain this category of employees, the inconsistencies in the implementation of OSD across Provinces and sector Departments make it difficult to retain this category of professionals, hence the high staff turnover.

In general, staff stability rate is high, mostly in Community Development and other support personnel. Social Workers are moving across sector Departments which is mainly attributed to inconsistencies in the implementation of OSD and the working conditions in the Department.

- The Department has developed the recruitment and retention strategy in an attempt to address the HR challenges. The assessment in terms of funding is that Social Development in Limpopo Province is far below other Provinces.
- The Department has high vacancy rate that is mainly influenced by non-filling of post due to insufficient funds.

#### **4. FUTURE HUMAN RESOURCE PLANS/GOALS**

- Filling of funded vacant posts within a prescribed period.
- Employment of unemployment social work graduates.
- Review of recruitment and retention strategy.
- Implement training and development plan.
- Continuous updating and cleaning of PERSAL System.
- Continued implementation of Internship and Learnership programme.

## 1. HUMAN RESOURCES OVERSIGHT STATISTICS

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2017 and 31 March 2018

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Programme 1	305 604.00	182 726.00	0.00	0.00	59.80	330
Programme 2	347 525.00	212 345.00	0.00	0.00	61.11	373
Programme 3	808 882.00	354 135.00	0.00	0.00	43.78	295
Programme 4	176 806.00	104 394.00	0.00	0.00	59.05	394
Programme 5	182 039.00	139 002.00	0.00	0.00	76.36	368
<b>Total</b>	<b>1 820 856.00</b>	<b>992 602.00</b>	<b>0.00</b>	<b>0.00</b>	<b>54.52</b>	<b>334</b>

Table 3.1.2 Personnel costs by salary band for the period 1 April 2017 and 31 March 2018

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average cost per employee (R'000)
Lower skilled (Levels 1-2)	35 825.00	3.50	163 584.00	1 027 022.00
Skilled (level 3-5)	100 929.00	9.80	223 789.00	1 027 022.00
Highly skilled production (levels 6-8)	665 987.00	64.80	334 667.00	1 027 022.00
Highly skilled supervision (levels 9-12)	163 276.00	15.90	581 053.00	1 027 022.00
Senior and Top management (levels 13-16)	25 197.00	2.50	1 049 875.00	1 027 022.00
Contracts	16 227.00	1.50	266 353.00	1 027 022.00
Periodical Remuneration	90.00	0.00	90 000.00	1 027 022.00
<b>TOTAL</b>	<b>1 007 530.00</b>	<b>98.10</b>	<b>303 656.00</b>	<b>1 027 022.00</b>

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2017 and 31 March 2018.

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Programme 1	151 801	84.0	438.00	0.20	7 767.00	3.90	11 375.00	5.70
Programme 2	180 583	85.0	22.00	0.00	7 835.00	3.60	11 498.00	5.30
Programme 3	300 227	85.0	95.00	0.00	14 634.00	4.10	20 287.00	5.60
Programme 4	88 867	86.0	77.00	0.10	3 871.00	3.60	5 513.00	5.20
Programme 5	119 488	86.0	34.00	0.00	5 104.00	3.50	6 641.00	4.60
<b>Total</b>	<b>843 990</b>	<b>85.0</b>	<b>666.00</b>	<b>0.10</b>	<b>39 211.00</b>	<b>3.80</b>	<b>55 315.00</b>	<b>5.40</b>

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2017 and 31 March 2018

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	25 080.00	70.00	0.00	0.00	2 983.00	8.30	4 729.00	13.20
Skilled (level 3-5)	75 399.00	74.60	452.00	0.40	6 382.00	6.30	9 449.00	9.30
Highly skilled production (levels 6-8)	538 345.00	80.10	134.00	0.00	26 220.00	3.90	35 587.00	5.30
Highly skilled supervision (levels 9-12)	137 888.00	79.00	80.00	0.00	3 139.00	1.80	5 343.00	3.10
Senior management (level 13-16)	22 319.00	82.80	0.00	0.00	488.00	1.80	208.00	0.80
Contract	16 227.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
Periodical Remuneration	90.00	96.80	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>843 990</b>	<b>85.0</b>	<b>666.00</b>	<b>0.10</b>	<b>39 211.00</b>	<b>3.80</b>	<b>55 315.00</b>	<b>5.40</b>

## 3.2 Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2018

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1	1797	554	69.17%	0
Programme 2	1157	569	50.82%	0
Programme 3	1929	1200	37.79%	0
Programme 4	772	265	65.67%	0
Programme 5	885	378	57.29%	0
<b>Total</b>	<b>6540</b>	<b>2966</b>	<b>54.65%</b>	<b>0</b>

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2018

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled ( 1-2)	412	207	49.76%	0
Skilled(3-5)	2053	454	77.89%	0
Highly skilled production (6-8)	3292	1990	39.55%	0
Highly skilled supervision (9-12)	740	291	60.68%	0
Senior management (13-16)	43	24	44.19%	0
<b>Total</b>	<b>6540 (MEC INCLUDED)</b>	<b>2966</b>	<b>54.65%</b>	<b>0</b>

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2018

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Support	1797	693	61.44%	0
Social Workers	2570	1636	36.34%	0
Nurses	34	10	70.59%	0
Child Youth Care Workers	185	89	51.89%	0
Social Auxiliary Workers	1057	179	83.07%	0
Allied Health Workers	12	0	100.00%	0
Community Development Practitioners	885	359	59.44%	0
<b>TOTAL</b>	<b>6540</b>	<b>2966</b>	<b>54.65%</b>	<b>0</b>

## 3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2018

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	0	0	0	0	0
Salary Level 16	1 (MEC)	1	100	0	0
Salary Level 15	1	1	100	0	0
Salary Level 14	4	4	100	0	0
Salary Level 13	21	18	86	3	14
<b>Total</b>	<b>27</b>	<b>24</b>	<b>89</b>	<b>3</b>	<b>11</b>

Table 3.3.2 SMS post information as on 30 September 2017

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	0	0	0	0	0
Salary Level 16	1	1	100	0	0
Salary Level 15	1	1	100	0	0
Salary Level 14	4	3	75	1	25
Salary Level 13	21	18	86	3	14
<b>Total</b>	<b>27</b>	<b>23</b>	<b>85</b>	<b>4</b>	<b>15</b>

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2017 and 31 March 2018

SMS LEVEL	Advertising		Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 min of becoming vacant	Number of vacancies per level not filled in 6 but filled in 12 months	Number of vacancies per level not filled in 6 but filled in 12 months
Director General /Head of Department	0	0	0	0
Salary Level 16	0	0	0	0
Salary Level 15	0	0	0	0
Salary Level 14	1 (CD:SWS)	0	0	1
Salary Level 13	1	0	0	More than 12 months
<b>Total</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2017 and 31 March 2018

<b>Reason for vacancies not filled within twelve months</b>
Compliance with Provincial Personnel Management Framework with the aim of addressing the over expenditure of the Compensation of Employees (CoE)

<b>Reasons for vacancies not filled within six months</b>
Insufficient budget on CoE

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2015 and 31 March 2016

<b>Reasons for vacancies not advertised within six months</b>
No disciplinary action was taken

<b>Reasons for vacancies not filled within six months</b>
No disciplinary action was taken

**3.4 Job Evaluation**

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2017 and 31 March 2018

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	412	0	0	0	0	0	0
Skilled (Levels 3-5)	2053	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	3292	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	740	0	0	0	0	0	0
Senior Management Service Band A	43	0	0	0	0	0	0
Senior Management Service Band B	0	0	0	0	0	0	0
Senior Management Service Band C	0	0	0	0	0	0	0
Senior Management Service Band D	0	0	0	0	0	0	0
<b>Total</b>	<b>6540</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2017 and 31 March 2018

Gender	African	Asian	Coloured	White	Total
Female	0		0	0	0
Male	0		0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Employees with a disability

**0**

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2017 and 31 March 2018

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
<b>NONE</b>				

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2017 and 31 March 2018

Gender	African	Asian	Coloured	White	Total
Female	0		0	0	0
Male	0		0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Employees with a disability

**0**

Total number of Employees whose salaries exceeded the grades determined by job evaluation

**0**

## 3.5 Employment Changes

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2017 and 31 March 2018

Salary band	Number of employees at beginning of period-1 April 2017	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled ( Levels 1-2)	223	0	4	1.7
Skilled (Levels3-5)	442	27	17	3.8
Highly skilled production (Levels 6-8)	1976	215	31	1.6
Highly skilled supervision (Levels 9-12)	278	3	11	3.9
Senior Management Service ( Level 13-16)	23	3	3	13.0
<b>Total</b>	<b>2942</b>	<b>248</b>	<b>66</b>	<b>2.2</b>

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2017 and 31 March 2018

Critical occupation	Number of employees at beginning of period-April 2016	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Support	682	34	27	4.0
Social Workers	1602	214	18	1.1
Nurses	12	0	1	8.3
Child Youth Care Workers	91	0	2	2.2
Social Auxiliary Workers	185	0	6	3.2
Allied Health Workers	1	0	1	100
Community Development Practitioners	369	0	11	3.0
<b>TOTAL</b>	<b>2942</b>	<b>248</b>	<b>66</b>	<b>2.2</b>

Table 3.5.3 Reasons why staff left the Department for the period 1 April 2017 and 31 March 2018

Termination Type	Number	% of Total Resignations
Death	8	12
Resignation	28	42
Expiry of contract	0	0
Dismissal – operational changes	0	0
Dismissal – misconduct	5	8
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	9	14
Transfer to other Public Service Departments	16	24
Other	0	0
<b>Total</b>	<b>66</b>	<b>100</b>
<b>Total number of employees who left as a % of total employment</b>	<b>66 (2.2%)</b>	<b>28 (0.9%)</b>

Table 3.5.4 Promotions by critical occupation for the period 1 April 2017 and 31 March 2018

Occupation	Employees 1 April 2016	Promotions to another salary level	Salary promotions to employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Support	682	2	0.3	0	0
Community Development Workers	369	10	2.7	0	0
Social Workers	1602	15	0.9	0	0
<b>TOTAL</b>	<b>2653</b>	<b>27</b>	<b>1.4</b>	<b>0</b>	<b>0</b>

Table 3.5.5 Promotions by salary band for the period 1 April 2017 and 31 March 2018

Salary Band	Employees 1 April 2017	Promotions to another salary level	Salary promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	223	0	0	0	0
Skilled (Levels 3-5)	442	0	0	0	0
Highly skilled production (Levels 6-8)	1976	0	0	0	0
Highly skilled supervision (Levels 9-12)	278	25	9.0	0	0
Senior Management (Level 13-16)	23	2	8.7	0	0
<b>Total</b>	<b>2942</b>	<b>27</b>	<b>0.9</b>	<b>0</b>	<b>0</b>

## 3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2018

Occupational category	Male					Female					Total
	African	Coloured	Indian	White		African	Coloured	Indian	White		
Support	268	0	0	0		421	2	0	2		693
Social Workers	410	0	0	0		1 223	0	0	3		1 636
Nurses	2	0	0	0		8	0	0	0		10
Child Youth Care Workers	24	0	0	0		65	0	0	0		89
Social Auxiliary Workers	57	0	0	0		122	0	0	0		179
Allied Health Workers	0	0	0	0		0	0	0	0		0
Community Development Workers	179	0	0	0		180	0	0	0		359
<b>Total</b>	<b>940</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>2 018</b>	<b>2</b>	<b>0</b>	<b>6</b>		<b>2 966</b>
<b>Employees with disabilities</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>36</b>	<b>0</b>	<b>0</b>	<b>1</b>		<b>64</b>

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2018

Occupational band	Male					Female					Total
	African	Coloured	Indian	White		African	Coloured	Indian	White		
Top Management (15 -16)	0	0	0	0		2	0	0	0		2
Senior Management (13-14)	12	0	0	0		10	0	0	0		22
Professionally qualified and experienced specialists and mid-management (9-12)	116	0	0	0		169	0	0	5		291
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (6-8)	593	0	0	0		1 397	0	0	0		1 990
Semi-skilled and discretionary decision making (3-5)	146	0	0	0		306	2	0	0		454
Unskilled and defined decision making (1-2)	73	0	0	0		134	0	0	0		207

	Male				Female				
<b>Total</b>	<b>940</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 018</b>	<b>2</b>	<b>0</b>	<b>6</b>	<b>2 966</b>

Table 3.6.3 Recruitment for the period 1 April 2017 to 31 March 2018

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (15-16)	0	0	0	0	0	0	0	0	0
Senior Management (13-14)	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (9-12)	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (6-8)	89	0	0	0	134	0	0	0	223
Semi-skilled and	10	0	0	0	15	0	0	0	25

	Male					Female				
	African	Coloured	Indian	White	Total	African	Coloured	Indian	White	Total
discretionary decision making (3-5)										
Unskilled and defined decision making (1-2)	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>99</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>149</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>248</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 3.6.4 Promotions for the period 1 April 2017 to 31 March 2018

Occupational band	Male					Female					Total
	African	Coloured	Indian	White	Total	African	Coloured	Indian	White	Total	
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	1	1	0	0	0	2	
Professionally qualified and experienced specialists and mid-management	10	0	0	0	10	15	0	0	0	25	
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0	0	
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0	0	
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	
<b>Total</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27</b>	
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Table 3.6.5 Terminations for the period 1 April 2016 to 31 March 2017

Occupational band	Male					Female					Total
	African	Coloured	Indian	White		African	Coloured	Indian	White		
Top Management (15-16)	0	0	0	0		1	0	0	0		1
Senior Management (13-14)	0	0	0	0		2	0	0	0		2
Professionally qualified and experienced specialists and mid-management (9-12)	5	0	0	0		6	0	0	0		11
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (6-8)	10	0	0	0		21	0	0	0		31
Semi-skilled and discretionary decision making (3-5)	5	0	0	0		12	0	0	0		17
Unskilled and defined decision making (2-3)	2	0	0	0		2	0	0	0		4
<b>Total</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>44</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>66</b>
<b>Employees with Disabilities</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>3</b>

Table 3.6.6 Disciplinary action for the period 1 April 2017 to 31 March 2018

Disciplinary action	Male					Female					Total
	African	Coloured	Indian	White		African	Coloured	Indian	White		
Theft	5	0	0	0		1	0	0	0		6
Intimidation	0	0	0	0		2	0	0	0		2
Dereliction of duties and responsibilities	1	0	0	0		0	0	0	0		1
Prejudice the administration	0	0	0	0		0	0	0	0		0
Abscondment	2	0	0	0		0	0	0	0		2
Contravention of Children Act	0	0	0	0		0	0	0	0		0
Negligence	2	0	0	0		0	0	0	0		2

Table 3.6.7 Skills development for the period 1 April 2017 to 31 March 2018

Occupational category	Male					Female					Total
	African	Coloured	Indian	White		African	Coloured	Indian	White		
Senior Management	7	0	0	0		8	0	0	0		15
Middle Management	19	0	0	0		12	0	0	0		31
Professionals	309	0	0	0		661	0	0	2		972
Clerks	17	0	0	0		27	0	0	0		44
Elementary occupations	13	0	0	0		7	0	0	0		20
<b>Total</b>	<b>365</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>715</b>	<b>0</b>	<b>0</b>	<b>2</b>		<b>1082</b>
<b>Employees with disabilities</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>		<b>7</b>

3.7 Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 Mar 2017

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	0	0	0	0
Salary Level 16	0	0	0	0
Salary Level 15	1	1	1	100
Salary Level 14	2	2	2	100
Salary Level 13	20	20	20	100
<b>Total</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>100</b>

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2017

Reasons
None

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2017

Reasons
None

## 3.8 Performance Rewards

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2016 to 31 March 2017

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total group	Cost (R'000)	Average cost per employee
<b>African</b>					
Male	472	912	51.8	1,973	4,177
Female	1 141	1 945	59	4,849	4,250
<b>Asian</b>					
Male	0	0	0	0	0
Female	0	0	0	0	0
<b>Coloured</b>					
Male	0	0	0	0	0
Female	0	2	100	0	0
<b>White</b>					
Male	0	0	0	0	0
Female	3	6	50	17	5,779
Employee with disability	13	55	23	57	4387
<b>Total</b>	<b>1 629</b>	<b>2 920</b>	<b>52.1</b>	<b>6 839</b>	<b>4,323</b>

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2016 to 31 March 2017

Salary band	Beneficiary Profile			Cost			Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total Cost (R'000)	
Lower Skilled (Levels 1-2)	995	224	42	246	2.598		24
Skilled (level 3-5)	266	451	59	965	3.627		33
Highly skilled production (level 6-8)	1285	1869	68	7840	6.054		56
Highly skilled supervision (level 9-12)	162	276	58	1695	10.428		97
<b>Total</b>	<b>2708</b>	<b>2820</b>	<b>66.6</b>	<b>10.747</b>	<b>5.941</b>		<b>52</b>

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2016 to 31 March 2017

Critical occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee	Total Cost (R'000)
Support	320	681	46.9	5090	6.179	6.179
Social Workers	909	1482	68.2	6126	6.126	6.126
Nurses	7	12	58	32	6.122	6.122
Child Youth Care Workers	43	89	47	114	4.148	4.148
Social Auxiliary Workers	115	188	61	352	4.462	4.462
Allied Health Workers	2	2	100	7	3.755	3.755
Community Development Workers	294	380	68.2	971	6.179	6.179
<b>Total</b>	<b>1690</b>	<b>2454</b>	<b>56.6%</b>	<b>12692</b>	<b>5.941</b>	<b>5.941</b>

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2016 to 31 March 2017

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total (R'000)	Average cost per employee	
Band A	0	18	0	0	0	0
Band B	0	5	0	0	0	0
Band C	0	0	0	0	0	0
Band D	0	2	0	0	0	0
<b>Total</b>	<b>0</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.9 Foreign Workers

Table 3.9.1 foreign workers by salary band for the period 1 April 2017 and 31 March 2018

Salary band	01 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (level. 6-8)	0	0	0	0	0	0
Highly skilled supervision (level. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2017 and 31 March 2018

Major occupation	01 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
None	0	0	0	0	0	0
None	0	0	0	0	0	0

## 3.10 Leave utilisation

Table 3.10.1 Sick leave for the period 1 January 2017 to 31 December 2017

Salary band	Total days	% Medical certification	Days with Medical certification	Number Employees using sick leave	% of employees using leave	of total sick	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	1 326.00	91.00	91.00	158.00	7.40		8.00	698.00
Skilled (levels 3-5)	2 589.00	83.00	83.00	337.00	15.80		8.00	2 000.00
Highly skilled production (levels 6-8)	9 235.00	83.30	83.30	1 291.00	60.70		7.00	11 761.00
Highly skilled supervision (levels 9 - 12)	1 512.00	85.40	85.40	223.00	10.50		7.00	3 319.00
Top and Senior management (levels 13-16)	70.00	88.60	88.60	15.00	0.70		5.00	272.00
Contracts	326.00	71.80	71.80	104.00	4.90		3.00	96.00
<b>Total</b>	<b>15 058.00</b>	<b>83.90</b>	<b>83.90</b>	<b>2 128.00</b>	<b>100.00</b>		<b>7.00</b>	<b>18 146.00</b>

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2017 to 31 December 2017.

Salary band	Total days	% Medical certification	Days with	Number of Employees using disability leave	% of employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	24.00	100.00		3.00	7.90	8.00	12.00
Skilled (Levels 3-5)	306.00	100.00		5.00	13.20	61.00	259.00
Highly skilled production (Levels 6-8)	731.00	100.00		26.00	68.40	28.00	943.00
Highly skilled supervision (Levels 9-12)	96.00	100.00		2.00	5.30	48.00	239.00
Senior management (Levels 13-16)	1.00	100.00		1.00	2.60	1.00	3.00
Contracts	4.00	100.00		1.00	2.60	4.00	1.00
<b>Total</b>	<b>1 162.00</b>	<b>100.00</b>		<b>38.00</b>	<b>100.00</b>	<b>31.00</b>	<b>1 457.00</b>

Table 3.10.3 Annual Leave for the period 1 January 2017 to 31 December 2017

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	4 852.00	22.00	224.00
Skilled Levels 3-5)	9 735.00	21.00	465.00
Highly skilled production (Levels 6-8)	39 397.92	20.00	1 972.00
Highly skilled supervision(Levels 9-12)	6 814.00	23.00	292.00
Senior management (Levels 13-16)	469.00	20.00	23.00
Contracts	3 223.00	9.00	346.00
<b>Total</b>	<b>64 490.92</b>	<b>19.00</b>	<b>3 322.00</b>

Table 3.10.4 Capped leave for the period 1 January 2017 to 31 December 2017

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2018
Lower skilled (Levels 1-2)	0.00	0.00	0.00	64.00
Skilled Levels 3-5)	21.00	5.00	4.00	109.00
Highly skilled production (Levels 6-8)	3.00	2.00	2.00	84.00
Highly skilled supervision (Levels 9-12)	0.00	0.00	0.00	85.00
Senior management (Levels 13-16)	0.00	0.00	0.00	89.00
<b>Total</b>	<b>24.00</b>	<b>7.00</b>	<b>3.00</b>	<b>86.00</b>

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

Table 3.10.5 Leave pay-outs for the period 1 April 2017 to 31 March 2018

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave gratuity on termination of service	1 789	40	45
<b>Total</b>	<b>1 789</b>	<b>40</b>	<b>45</b>

### 3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
<b>Nurses</b>	<p>The Department to provide employees with personal protective equipment such as gloves, musk's etc.</p> <p>Conduct awareness on Occupational Health and Safety including HIV &amp; AIDS and TB</p> <p>Conduct Occupational Health and Safety audits to assess compliance with the minimum standards.</p> <p>Capacitate employees on the importance of wearing protective clothing,</p> <p>Encourage employees to comply with universal precautionary measures.</p>
<b>Cleaners</b>	

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

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Ms Sethosa M M Director HRM
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		1 Deputy Director, 5 x seconded social workers to Employee Health and Wellness in each district Budget R 115 000
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		Wellness Management which includes Counselling for employees with both personal and work related problems. Trauma Debriefing, emotional support, proactive programmes such as financial wellness, stress management, wellness screening and promotion of physical wellness,
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		Mr Mabilu TAR, (HR Planning ) Mr Rasivumo M S, (HRM) Mr Rangata M T, Social Work Services) Ms Moselana C, (Logistics) Ms MC Rambuda ( Risk) Ms Moloto M E (Labour Organisation) Mr

Question	Yes	No	Details, if yes
			Masoga F (Labour organisation) Ms Poopedi E M (Finance) and Ms Sehlapelo D (Supply Chain Management).
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		The Department has an approved HIV policy which provides guidelines on non-discrimination.
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		The Department HIV and AIDS Workplace policy protect positive employees and those who have disclosed their status. HIV & AIDS awareness sessions are done quarterly to capacitate employees on their rights in the workplace. Employees' aggrieved either through discrimination or stigmatisation are encouraged to seek recourse through Departmental grievance procedures.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		Facilitated sixteen HIV Counselling and Testing Campaigns whereby 334 employees tested. Three employees were found to be positive. Those found to be positive were offered post-test counselling and referred to other service providers for further disease

Question	Yes	No	Details, if yes
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		The Department compiles annual Employee Health and Wellness System Monitoring Tool as a self-assessment tool to measure the impact of its health and wellness programmes. Quarterly and annual reports are compiled to measure the impact of the program against the set objectives/targets.

3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2017 and 31 March 2018

Subject matter	Date
Total number of Collective agreements	0

Notes

Total number of Collective agreements	0
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The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review

**Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2017 and 31 March 2018**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	0	0%
Written warning	1	0%
Final written warning	12	48.0%
Suspended without pay	5	20.0%
Fine	0	0%
Demotion	0	0%
Dismissal	0	0%
Not guilty	0	0%
Case withdrawn	7	28.0%
<b>Total</b>	<b>25</b>	<b>100</b>

**Total number of Disciplinary hearings finalised**

06

**Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2017 and 31 March 2018**

Type of misconduct	Number	% of total
Theft	1	7.69
Fraud	5	38.46
Intimidation	2	15.38

Dereliction of duties and responsibilities	1	7.69
Prejudice the administration	0	0
Abscondment	2	15.38
Contravention of Children Act	0	0
Negligence	2	15.38
<b>Total</b>	<b>13</b>	<b>100</b>

Table 3.12.4 Grievances logged for the period 1 April 2017 and 31 March 2018

<b>Grievances</b>	<b>Number</b>	<b>% of Total</b>
<b>Number of grievances resolved</b>	145	100
Number of grievances not resolved	0	0
<b>Total number of grievances lodged</b>	<b>145</b>	<b>100</b>

Table 3.12.5 Disputes logged with Councils for the period 1 April 2016 and 31 March 2017

<b>Disputes</b>	<b>Number</b>	<b>% of Total</b>
Number of disputes upheld	1	2.7
Number of disputes dismissed	36	97.3
<b>Total number of disputes lodged</b>	<b>37</b>	<b>100</b>

Table 3.12.6 Strike actions for the period 1 April 2017 and 31 March 2018

Total number of persons working days lost	152
Total costs working days lost	158 595
Amount recovered as a result of no work no pay (R'000)	158 595

Table 3.12.7 Precautionary suspensions for the period 1 April 2017 and 31 March 2018

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension(R'000)	0

### 3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2017 and 31 March 2018

Occupational category	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Senior Management Services: SL 13-16	Female	12	0	8	0	8
	Male	12	0	7	0	7
Middle Management Services: SL 9-12	Female	32	0	29	0	29
	Male	37	0	20	0	20
Professionals: SL 6-8	Female	1666	110	365	0	365
	Male	731	35	951	0	951
Clerical Services: SL 3-5	Female	135	0	16	0	16
	Male	56	0	4	0	4
Elementary Workers: SL 1-2	Female	164	0	0	0	0
	Male	117	0	7	0	7
Gender sub totals	Female	2009	110	418	0	418
	Male	953	35	989	0	989
<b>Total</b>		<b>2962</b>	<b>145</b>	<b>1407</b>	<b>0</b>	<b>1407</b>

Table 3.13.2 Training provided for the period 1 April 2017 and 31 March 2018

Occupational category	Gender	Number of employees as at 1 April 2015	Training provided within the reporting period				Total
			Learnerships	Skills Programmes & other short courses	Other forms of training		
Senior Management Services: SL 13-16	Female	12	0	8	0	8	
	Male	12	0	7	0	7	
Middle Management Services: SL 9-12	Female	32	0	12	0	12	
	Male	37	0	19	0	19	
Professionals: SL 6-8	Female	1666	110	663	0	663	
	Male	731	35	309	0	309	
Clerical Services: SL 3-5	Female	135	0	27	0	27	
	Male	56	0	17	0	17	
Elementary Workers: SL 2	Female	164	0	7	0	7	
	Male	117	0	13	0	13	
Gender sub totals	Female	2009	110	717	0	717	
	Male	953	35	365	0	365	
<b>Total</b>		<b>2962</b>	<b>145</b>	<b>1082</b>	<b>0</b>	<b>1082</b>	

### 3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2017 and 31 March 2018

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	5	100
Permanent Disablement	0	0
Fatal	0	0
<b>Total</b>	<b>5</b>	<b>100</b>

### 3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2017 and 31 March 2018

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
None			

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

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 and 31 March 2018

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2017 and 31 March 2018

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

<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration Work days</b>	<b>Total contract value in Rand</b>
None			

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2016 and 31 March 2017

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

### 3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2016 and 31 March 2017

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

# PART E

# FINANCIAL INFORMATION

## Report of the auditor-general to Limpopo provincial legislature on vote no. 12: Department of Social Development

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Department of Social Development set out on pages 146 to 240, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the department as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standards and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2017) (DoRA)

#### Basis for opinion

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

#### Emphasis of matters

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

#### Irregular expenditure

7. As disclosed in note 25 to the financial statements, irregular expenditure of R55 467 000 that was disclosed in the previous years was still under investigation.

#### Fruitless and wasteful expenditure

8. As disclosed in note 26 to the financial statements, fruitless and wasteful expenditure of R6 632 000 that was disclosed in the previous years was still under investigation.

## Other matter

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

### Unaudited supplementary schedules

10. The supplementary information set out on pages 241 to 256 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

## Responsibilities of accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with Modified Cash Standard prescribed by the National Treasury and, the requirements of the PFMA and the DoRA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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

## Report on the audit of the annual performance report

### Introduction and scope

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning

documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2018:

Programmes	Pages in the annual performance report
Programme 2: Social welfare services	40 - 46
Programme 3: Children and families	46 - 56

18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 2: Social welfare services
  - Programme 3: Children and families

### Other matter

20. I draw attention to the matter below.

### Achievement of planned targets

21. Refer to the annual performance report on pages 36 to 72 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of targets.

## Report on the audit of compliance with legislation

### Introduction and scope

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

## Annual financial statement, performance and annual report

24. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1) (a) of the PFMA.

Material misstatements of liabilities and disclosure items identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

## Conditional grants and transfers

25. The early childhood development (ECD) grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 17(1) of the DoRA.

## Other information

26. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

29. The other information I obtained prior to the date of this auditor's report is draft annual report, and the final annual report is expected to be made available to me after 31 July 2018.

30. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement in this other information, I am required to report that fact. No other material inconsistencies were identified in the other information.

31. After I receive and read the final annual report, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## Internal control deficiencies

32. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the

significant internal control deficiencies that resulted in the findings on the compliance with legislation included in this report.

### **Leadership**

33. Management's oversight responsibility relating to the review of the financial statements was inadequate.
34. Oversight responsibility regarding IT governance and related internal controls was not exercised.
35. Management have not adequately addressed internal control deficiencies relating to the vacancies of posts within the department.

### **Financial and performance management**

36. Compliance with laws and regulations was not properly monitored by the accounting officer.
37. Management did not implement adequate controls to ensure sound IT systems.

Auditor General

Polokwane

31 July 2018



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the department’s compliance with respect to the selected subject matters.

### Financial statements

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

### Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

Appropriation per programme											
	2017/18						2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure		
Programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
1. Administration	284 706	21 024	-	305 730	303 809	1 921	99,4%	285 520	273 668		
2. Social Welfare Services	429 232	(80 400)	-	348 832	345 229	3 603	99,0%	309 851	300 215		
3. Children and Families	785 873	23 900	-	809 773	807 034	2 739	99,7%	736 252	735 803		
4. Restorative Services	167 921	10 000	-	177 921	176 739	1 182	99,3%	167 597	167 209		
5. Development and Research	159 182	25 400	-	184 582	182 286	2 296	98,8%	178 717	178 046		
<b>Subtotal</b>	<b>1 826 914</b>	<b>(76)</b>	<b>-</b>	<b>1 826 838</b>	<b>1 815 097</b>	<b>11 741</b>	<b>99,4%</b>	<b>1 677 937</b>	<b>1 654 941</b>		
<b>Statutory Appropriation</b>	<b>1 902</b>	<b>76</b>	<b>-</b>	<b>1 978</b>	<b>1 792</b>	<b>186</b>	<b>90,6%</b>	<b>1 902</b>	<b>1 902</b>		
Members' remuneration	1 902	76	-	1 978	1 792	186	90,6%	1 902	1 902		
	-	-	-	-	-	-	-	-	-		
<b>TOTAL</b>	<b>1 828 816</b>	<b>-</b>	<b>-</b>	<b>1 828 816</b>	<b>1 816 889</b>	<b>11 927</b>	<b>99,3%</b>	<b>1 679 839</b>	<b>1 656 843</b>		

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

	2017/18		2016/17	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
<b>TOTAL (brought forward)</b>				
Reconciliation with statement of financial performance				
<b>ADD</b>				
Departmental receipts	-		14 752	-
Aid assistance	9 190		16 469	
<b>Actual amounts per statement of financial performance (total revenue)</b>	<b>1 838 006</b>		<b>1 711 060</b>	
<b>ADD</b>				
Aid assistance		13 726		16 298
<b>Actual amounts per statement of financial performance (total expenditure)</b>		<b>1 830 615</b>		<b>1 673 141</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

Appropriation per economic classification	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>1 243 555</b>	-	-	<b>1 243 555</b>	<b>1 232 258</b>	<b>11 297</b>	<b>99.1%</b>	<b>1 117 221</b>	<b>1 103 220</b>
Compensation of employees	995 415	-	-	995 415	992 608	2 807	99.7%	904 612	889 248
Salaries and wages	845 518	(20 000)	-	825 518	843 995	(18 477)	102.2%	766 276	756 309
Social contributions	149 897	20 000	-	169 897	148 613	21 284	87.5%	138 336	132 939
<b>Goods and services</b>	<b>248 140</b>	-	-	<b>248 140</b>	<b>239 536</b>	<b>8 604</b>	<b>96.5%</b>	<b>212 609</b>	<b>213 972</b>
Administrative fees	826	-	-	826	456	370	55.2%	408	277
Advertising	4 700	-	-	4 700	2 683	2 017	57.1%	5 632	4 018
Minor assets	7 012	-	-	7 012	5 908	1 104	84.3%	6 865	2 176
Audit costs: External	4 645	-	-	4 645	5 854	(1 209)	126.0%	5 873	5 687
Bursaries: Employees	64	-	-	64	64	-	100.0%	714	93
Catering: Departmental activities	7 887	-	-	7 887	6 492	1 395	82.3%	7 348	5 904
Communication	6 375	(700)	-	5 675	4 861	814	85.7%	6 941	6 422
Computer services	6 674	-	-	6 674	5 515	1 159	82.6%	6 991	8 921
Consultants: Business and advisory services	128	-	-	128	44	84	34.4%	140	59
Legal services	333	-	-	333	154	179	46.2%	350	10
Contractors	5 074	-	-	5 074	1 998	3 076	39.4%	7 961	5 716
Agency and support / outsourced services	75 785	(1 500)	-	74 285	78 481	(4 196)	105.6%	61 754	69 844
Entertainment	-	-	-	-	-	-	-	45	-

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

Fleet services	11 202	(900)	-	10 302	17 526	(7 224)	170.1%	5 844	14 999
Inventory: Clothing material and supplies	2 710	(500)	-	2 210	1 407	803	63.7%	1 340	1 063
Inventory: Farming supplies	467	-	-	467	466	1	99.8%	160	-
Inventory: Food and food supplies	10 956	-	-	10 956	9 425	1 531	86.0%	9 367	7 275
Inventory: Fuel oil and gas	323	-	-	323	239	84	74.0%	151	118
Inventory: Materials and supplies	-	-	-	-	-	-	-	427	190
Inventory: Medical supplies	-	-	-	-	-	-	-	298	287
Inventory: Other supplies	394	-	-	394	280	114	71.1%	-	-
Consumable supplies	5 090	-	-	5 090	2 844	2 246	55.9%	10 853	7 042
Consumable: Stationery printing and office supplies	8 256	-	-	8 256	5 245	3 011	63.5%	7 479	5 465
Operating leases	2 903	(300)	-	2 603	1 324	1 279	50.9%	2 322	1 987
Property payments	51 806	-	-	51 806	48 017	3 789	92.7%	30 208	33 617
Transport provided: Departmental activity	757	-	-	757	457	300	60.4%	698	301
Travel and subsistence	22 758	3 900	-	26 658	31 185	(4 527)	117.0%	25 677	27 239
Training and development	6 742	-	-	6 742	4 881	1 861	72.4%	1 558	1 212
Operating payments	1 264	-	-	1 264	1 555	(291)	123.0%	823	2 002
Venues and facilities	1 507	-	-	1 507	1 160	347	77.0%	2 856	1 313
Rental and hiring	1 502	-	-	1 502	1 015	487	67.6%	1 526	735
<b>Transfers and subsidies</b>	<b>534 534</b>	<b>-</b>	<b>-</b>	<b>534 534</b>	<b>533 715</b>	<b>819</b>	<b>99.8%</b>	<b>518 899</b>	<b>522 474</b>
<b>Provinces and municipalities</b>	<b>350</b>	<b>-</b>	<b>-</b>	<b>350</b>	<b>272</b>	<b>78</b>	<b>77.7%</b>	<b>-</b>	<b>166</b>
Municipalities	350	-	-	350	272	78	77.7%	-	166
Municipal bank accounts	350	-	-	350	272	78	77.7%	-	166

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

<b>Departmental agencies and accounts</b>	1 500	-	-	1 500	1 329	171	88.6%	5 500	5 886
Departmental agencies and accounts (Non business entities)	1 500	-	-	1 500	1 329	171	88.6%	5 500	5 886
<b>Non-profit institutions</b>	<b>530 861</b>	-	-	<b>530 861</b>	<b>529 833</b>	<b>1 028</b>	<b>99.8%</b>	<b>511 734</b>	<b>513 349</b>
<b>Households</b>	<b>1 823</b>	-	-	<b>1 823</b>	<b>2 281</b>	<b>(458)</b>	<b>125.1%</b>	<b>1 665</b>	<b>3 073</b>
Social benefits	1 823	-	-	1 823	2 281	(458)	125.1%	1 665	3 073
<b>Payments for capital assets</b>	<b>50 727</b>	-	-	<b>50 727</b>	<b>51 030</b>	<b>(303)</b>	<b>100.6%</b>	<b>43 719</b>	<b>31 149</b>
<b>Buildings and other fixed structures</b>	<b>30 139</b>	-	-	<b>30 139</b>	<b>30 690</b>	<b>(551)</b>	<b>101.8%</b>	<b>32 996</b>	<b>23 505</b>
Buildings	30 139	-	-	30 139	30 690	(551)	101.8%	-	-
Other fixed structures	-	-	-	-	-	-	-	32 996	23 505
<b>Machinery and equipment</b>	<b>20 588</b>	-	-	<b>20 588</b>	<b>20 340</b>	<b>248</b>	<b>98.8%</b>	<b>10 723</b>	<b>7 644</b>
Transport equipment	6 837	-	-	6 837	5 737	1 100	83.9%	6 486	4 418
Other machinery and equipment	13 751	-	-	13 751	14 603	(852)	106.2%	4 237	3 226
<b>Total</b>	<b>1 828 816</b>	-	-	<b>1 828 816</b>	<b>1 816 889</b>	<b>11 927</b>	<b>99.3%</b>	<b>1 679 839</b>	<b>1 656 843</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

Statutory Appropriation per economic classification									
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>1 902</b>	<b>76</b>	<b>-</b>	<b>1 978</b>	<b>1 792</b>	<b>186</b>	<b>90.6%</b>	<b>1 902</b>	<b>1 902</b>
Compensation of employees	1 902	76	-	1 978	1 792	186	90.6%	1 902	1 902
<b>Total</b>	<b>1 902</b>	<b>76</b>	<b>-</b>	<b>1 978</b>	<b>1 792</b>	<b>186</b>	<b>90.6%</b>	<b>1 902</b>	<b>1 902</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Programme 1: Administration</b>									
<b>Sub programme</b>									
1. Office of the MEC	7 618	(1 076)	-	6 542	5 447	1 095	83.3%	6 568	5 023
2. Corporate Management Services	111 762	20 000	-	131 762	132 417	(655)	100.5%	120 034	110 768
3. District Management	165 326	2 100	-	167 426	165 945	1 481	99.1%	158 918	157 877
<b>Total for sub programmes</b>	<b>284 706</b>	<b>21 024</b>	<b>-</b>	<b>305 730</b>	<b>303 809</b>	<b>1 921</b>	<b>99.4%</b>	<b>285 520</b>	<b>273 668</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>244 450</b>	<b>21 024</b>	<b>-</b>	<b>265 474</b>	<b>265 258</b>	<b>216</b>	<b>99.9%</b>	<b>245 412</b>	<b>243 102</b>
<b>Compensation of employees</b>	<b>167 321</b>	<b>21 924</b>	<b>-</b>	<b>189 245</b>	<b>180 933</b>	<b>8 312</b>	<b>95.6%</b>	<b>178 495</b>	<b>172 169</b>
Salaries and wages	158 010	7 924	-	165 934	153 312	12 622	92.4%	150 490	145 596
Social contributions	9 311	14 000	-	23 311	27 621	(4 310)	118.5%	28 005	26 573
<b>Goods and services</b>	<b>77 129</b>	<b>(900)</b>	<b>-</b>	<b>76 229</b>	<b>84 325</b>	<b>(8 096)</b>	<b>110.6%</b>	<b>66 917</b>	<b>70 933</b>
Administrative fees	27	-	-	27	9	18	33.3%	75	30
Advertising	720	-	-	720	493	227	68.5%	1 441	1 097
Minor assets	1 365	-	-	1 365	1 479	(114)	108.4%	699	535
Audit costs: External	4 645	-	-	4 645	5 854	(1 209)	126.0%	5 873	5 687
Bursaries: Employees	64	-	-	64	64	-	100.0%	160	93
Catering: Departmental activities	519	-	-	519	458	61	88.2%	1 136	678
Communication	4 113	-	-	4 113	3 644	469	88.6%	4 554	4 274

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

Computer services	5 531	5 515	16	99.7%	6 041	8 921
Consultants: Business and advisory services	108	44	64	40.7%	140	59
Legal services	333	154	179	46.2%	350	10
Contractors	5 074	1 998	3 076	39.4%	7 961	5 660
Fleet services	6 724	16 888	(11 064)	290.0%	2 541	7 620
Inventory: Clothing material and supplies	81	15	66	18.5%	15	-
Inventory: Fuel, oil and gas	-	-	-	-	10	-
Inventory: Materials and supplies	-	-	-	-	77	68
Consumable supplies	771	1 014	(243)	131.5%	1 563	1 417
Consumable: Stationery printing and office supplies	2 691	2 035	656	75.6%	1 254	1 022
Operating leases	2 058	1 147	911	55.7%	1 649	1 651
Property payments	34 917	34 329	588	98.3%	19 371	23 493
Transport provided: Departmental activity	-	-	-	-	5	-
Travel and subsistence	4 988	6 826	(1 838)	136.8%	8 820	6 529
Training and development	1 986	1 905	81	95.9%	1 249	1 198
Operating payments	119	160	(41)	134.5%	625	390
Venues and facilities	205	200	5	97.6%	1 028	501
Rental and hiring	90	94	(4)	104.4%	280	-
<b>Transfers and subsidies</b>	<b>3 673</b>	<b>2 284</b>	<b>1 389</b>	<b>62.2%</b>	<b>3 165</b>	<b>3 347</b>
<b>Provinces and municipalities</b>	<b>350</b>	<b>216</b>	<b>134</b>	<b>61.7%</b>	<b>-</b>	<b>97</b>
Municipalities	350	216	134	61.7%	-	97
Municipal bank accounts	350	216	134	61.7%	-	97

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

<b>Departmental agencies and accounts</b>	<b>1 500</b>	-	-	<b>1 500</b>	<b>1 329</b>	<b>171</b>	<b>88.6%</b>	<b>1 500</b>	<b>1 886</b>
Departmental agencies	1 500	-	-	1 500	1 329	171	88.6%	1 500	1 886
<b>Households</b>	<b>1 823</b>	-	-	<b>1 823</b>	<b>739</b>	<b>1 084</b>	<b>40.5%</b>	<b>1 665</b>	<b>1 364</b>
Social benefits	1 823	-	-	1 823	739	1 084	40.5%	1 665	1 364
<b>Payments for capital assets</b>	<b>36 583</b>	-	-	<b>36 583</b>	<b>36 267</b>	<b>316</b>	<b>99.1%</b>	<b>36 943</b>	<b>27 219</b>
<b>Buildings and other fixed structures</b>	<b>30 139</b>	-	-	<b>30 139</b>	<b>30 690</b>	<b>(551)</b>	<b>101.8%</b>	<b>32 996</b>	<b>23 545</b>
Buildings	30 139	-	-	30 139	30 690	(551)	101.8%	-	-
Other fixed structures	-	-	-	-	-	-	-	32 996	23 545
<b>Machinery and equipment</b>	<b>6 444</b>	-	-	<b>6 444</b>	<b>5 577</b>	<b>867</b>	<b>86.5%</b>	<b>3 947</b>	<b>3 674</b>
Transport equipment	1 400	-	-	1 400	300	1 100	21.4%	786	784
Other machinery and equipment	5 044	-	-	5 044	5 277	(233)	104.6%	3 161	2 890
<b>Total</b>	<b>284 706</b>	-	<b>21 024</b>	<b>305 730</b>	<b>303 809</b>	<b>1 921</b>	<b>99.4%</b>	<b>285 520</b>	<b>273 668</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>7 618</b>	<b>(1 076)</b>	-	<b>6 542</b>	<b>5 364</b>	<b>1 178</b>	<b>82.0%</b>	<b>6 568</b>	<b>5 023</b>
Compensation of employees	5 544	(1 076)	-	4 468	4 275	193	95.7%	4 190	4 000
Goods and services	2 074	-	-	2 074	1 089	985	52.5%	2 378	1 023
<b>Transfers and subsidies</b>	-	-	-	-	<b>83</b>	<b>(83)</b>	-	-	-
Households	-	-	-	-	83	(83)	-	-	-
<b>Total</b>	<b>7 618</b>	<b>(1 076)</b>	-	<b>6 542</b>	<b>5 447</b>	<b>1 095</b>	<b>83.3%</b>	<b>6 568</b>	<b>5 023</b>

	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>74 356</b>	<b>20 000</b>	-	<b>94 356</b>	<b>96 446</b>	<b>(2 090)</b>	<b>102.2%</b>	<b>79 926</b>	<b>81 343</b>
Compensation of employees	42 789	20 000	-	62 789	53 859	8 930	85.8%	48 780	46 649
Goods and services	31 567	-	-	31 567	42 587	(11 020)	134.9%	31 146	34 694
<b>Transfers and subsidies</b>	<b>3 323</b>	-	-	<b>3 323</b>	<b>1 880</b>	<b>1 443</b>	<b>56.6%</b>	<b>3 165</b>	<b>2 583</b>
Provinces and municipalities	-	-	-	-	19	(19)	-	-	19

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

Departmental agencies and accounts	1 500	-	1 500	1 329	171	88.6%	1 500	1 886
Higher education institutions								
Foreign governments and international organisations								
Public corporations and private enterprises								
Non-profit institutions	1 823	-	1 823	532	1 291	29.2%	1 665	678
Households								
<b>Payments for capital assets</b>	<b>34 083</b>	-	<b>34 083</b>	<b>34 091</b>	<b>(8)</b>	<b>100.0%</b>	<b>36 943</b>	<b>26 842</b>
Buildings and other fixed structures	30 139	-	30 139	30 690	(551)	101.8%	32 996	23 545
Machinery and equipment	3 944	-	3 944	3 401	543	86.2%	3 947	3 297
Intangible assets								
<b>Total</b>	<b>111 762</b>	<b>20 000</b>	<b>131 762</b>	<b>132 417</b>	<b>(655)</b>	<b>100.5%</b>	<b>120 034</b>	<b>110 768</b>

	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>162 476</b>	<b>2 100</b>	<b>-</b>	<b>164 576</b>	<b>163 448</b>	<b>1 128</b>	<b>99.3%</b>	<b>158 918</b>	<b>156 736</b>
<b>Current payments</b>									
Compensation of employees	118 988	3 000	-	121 988	122 799	(811)	100.7%	125 525	121 520
Goods and services	43 488	(900)	-	42 588	40 649	1 939	95.4%	33 393	35 216

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

	350	-	-	350	321	29	91.7%	-	764
<b>Transfers and subsidies</b>									
Provinces and municipalities Departmental agencies and accounts	350	-	-	350	197	153	56.3%	-	78
Households	-	-	-	-	124	(124)	-	-	686
<b>Payments for capital assets</b>	<b>2 500</b>	<b>-</b>	<b>-</b>	<b>2 500</b>	<b>2 176</b>	<b>324</b>	<b>87.0%</b>	<b>-</b>	<b>377</b>
Machinery and equipment	2 500	-	-	2 500	2 176	324	87.0%	-	377
<b>Total</b>	<b>165 326</b>	<b>2 100</b>	<b>-</b>	<b>167 426</b>	<b>165 945</b>	<b>1 481</b>	<b>99.1%</b>	<b>158 918</b>	<b>157 877</b>

	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Programme 2: Social Welfare Services</b>									
<b>Sub programme</b>									
1. Administration	80 322	12 000	-	92 322	92 401	(79)	100.1%	79 724	71 003
2. Services to Older Persons	71 318	27 000	-	98 318	100 643	(2 325)	102.4%	79 381	77 735
3. Services to People with Disabilities	76 698	16 000	-	92 698	89 611	3 087	96.7%	76 513	77 601
4. HIV and AIDS	199 843	(135 400)	-	64 443	61 956	2 487	96.1%	73 232	73 201
5. Social Relief	1 051	-	-	1 051	618	433	58.8%	1 001	675
<b>Total for sub programmes</b>	<b>429 232</b>	<b>(80 400)</b>	<b>-</b>	<b>348 832</b>	<b>345 229</b>	<b>3 603</b>	<b>99.0%</b>	<b>309 851</b>	<b>300 215</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>351 002</b>	<b>(75 000)</b>	<b>-</b>	<b>276 002</b>	<b>277 891</b>	<b>(1 889)</b>	<b>100.7%</b>	<b>247 925</b>	<b>237 931</b>
<b>Compensation of employees</b>	<b>277 200</b>	<b>(72 000)</b>	<b>-</b>	<b>205 200</b>	<b>212 352</b>	<b>(7 152)</b>	<b>103.5%</b>	<b>190 133</b>	<b>181 972</b>
Salaries and wages	250 004	(78 000)	-	172 004	180 589	(8 585)	105.0%	166 751	154 380
Social contributions	27 196	6 000	-	33 196	31 763	1 433	95.7%	23 382	27 592
<b>Goods and services</b>	<b>73 802</b>	<b>(3 000)</b>	<b>-</b>	<b>70 802</b>	<b>65 539</b>	<b>5 263</b>	<b>92.6%</b>	<b>57 792</b>	<b>55 959</b>
Administrative fees	183	-	-	183	148	35	80.9%	86	58
Advertising	847	-	-	847	481	366	56.8%	674	522

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

Minor assets	4 387	4 006	381	91.3%	4 441	1 457
Catering: Departmental activities	1 452	1 201	251	82.7%	1 518	1 289
Communication	1 696	772	224	77.5%	1 130	1 042
Computer services	143	-	143	-	-	-
Agency and support / outsourced services	32 412	32 388	(1 476)	104.8%	21 024	24 566
Fleet services	3 995	354	3 641	8.9%	2 790	5 099
Inventory: Clothing material and supplies	2 065	957	608	61.2%	975	905
Inventory: Food and food supplies	9 136	8 141	995	89.1%	4 348	3 615
Inventory: Fuel, oil and gas	79	50	29	63.3%	40	23
Inventory: Medical supplies	-	-	-	-	238	234
Inventory: Other supplies	220	197	23	89.5%	-	-
Consumable supplies	1 315	392	923	29.8%	5 748	3 392
Consumable: Stationery printing and office supplies	1 835	1 535	300	83.7%	2 453	2 244
Operating leases	510	5	205	2.4%	290	81
Property payments	3 686	3 985	(299)	108.1%	4 221	4 150
Transport provided: Departmental activity	342	263	79	76.9%	195	181
Travel and subsistence	8 464	9 518	(1 054)	112.5%	6 608	6 454
Training and development	55	-	55	-	-	-
Operating payments	19	217	(198)	1142.1%	50	268
Venues and facilities	746	677	69	90.8%	899	335
Rental and hiring	215	252	(37)	117.2%	64	44
<b>Transfers and subsidies</b>	<b>66 386</b>	<b>54 673</b>	<b>6 313</b>	<b>89,6%</b>	<b>57 850</b>	<b>58 950</b>
Provinces and municipalities	-	-	-	-	-	54

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

Provincial agencies and funds	-	-	-	-	-	-	-	-	-	-	-	-	54
Municipalities	-	-	-	-	-	-	-	-	-	-	-	-	54
Municipal bank accounts	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	66 386	(5 400)	-	60 986	54 291	6 695	89,0%	57 850	58 219	677	677	3 334	
Households	-	-	-	-	382	(382)	-	-	-	-	-	-	-
Social benefits	-	-	-	-	382	(382)	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>11 844</b>	<b>-</b>	<b>-</b>	<b>11 844</b>	<b>12 665</b>	<b>(821)</b>	<b>106,9%</b>	<b>4 076</b>	<b>3 334</b>	<b>3 334</b>	<b>3 334</b>	<b>3 118</b>	<b>216</b>
Machinery and equipment	11 844	-	-	11 844	12 665	(821)	106,9%	4 076	3 334	3 334	3 700	3 118	216
Transport equipment	5 437	-	-	5 437	5 437	-	100,0%	3 700	3 118	3 700	3 700	3 118	216
Other machinery and equipment	6 407	-	-	6 407	7 228	(821)	112,8%	376	216	376	376	216	216
<b>Total</b>	<b>429 232</b>	<b>(80 400)</b>	<b>-</b>	<b>348 832</b>	<b>345 229</b>	<b>3 603</b>	<b>99,0%</b>	<b>309 851</b>	<b>300 215</b>	<b>309 851</b>	<b>309 851</b>	<b>300 215</b>	<b>300 215</b>

	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>68 478</b>	<b>12 000</b>	<b>-</b>	<b>80 478</b>	<b>79 662</b>	<b>816</b>	<b>99,0%</b>	<b>75 648</b>	<b>67 607</b>
Compensation of employees	48 500	13 000	-	61 500	61 139	361	99,4%	57 001	51 244
Goods and services	19 978	(1 000)	-	18 978	18 523	455	97,6%	18 647	16 363

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

<b>Transfers and subsidies</b>												
Provinces and municipalities	-	-	-	-	74	(74)	-	-	-	-	-	62
Households	-	-	-	-	-	-	-	-	-	-	-	54
					74	(74)	-	-	-	-	-	8
<b>Payments for capital assets</b>	11 844	-	-	-	12 665	(821)	106.9%	4 076	3 334			
Machinery and equipment	11 844	-	-	-	12 665	(821)	106.9%	4 076	3 334			
<b>Payments for financial assets</b>	80 322	12 000	-	-	92 401	(79)	100.1%	79 724	71 003			

	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	39 040	31 000	-	70 040	76 684	(6 644)	109.5%	53 781	51 815
Compensation of employees	34 589	31 000	-	65 589	73 343	(7 754)	111.8%	49 542	48 601
Goods and services	4 451	-	-	4 451	3 341	1 110	75.1%	4 239	3 214
<b>Transfers and subsidies</b>	32 278	(4 000)	-	28 278	23 959	4 319	84.7%	25 600	25 920
Non-profit institutions	32 278	(4 000)	-	28 278	23 667	4 611	83.7%	25 600	25 755
Households	-	-	-	-	292	(292)	-	-	165
<b>Total</b>	71 318	27 000	-	98 318	100 643	(2 325)	102.4%	79 381	77 735

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>59 168</b>	<b>13 000</b>	-	<b>72 168</b>	<b>70 969</b>	<b>1 199</b>	<b>98,3%</b>	<b>58 313</b>	<b>58 531</b>
Compensation of employees	26 027	13 000	-	39 027	38 637	390	99,0%	35 556	31 670
Goods and services	33 141	-	-	33 141	32 332	809	97,6%	22 757	26 861
<b>Transfers and subsidies</b>	<b>17 530</b>	<b>3 000</b>	-	<b>20 530</b>	<b>18 642</b>	<b>1 888</b>	<b>90,8%</b>	<b>18 200</b>	<b>19 070</b>
Non-profit institutions	17 530	3 000	-	20 530	18 642	1 888	90,8%	18 200	18 580
Households	-	-	-	-	-	-	-	-	490
<b>Total</b>	<b>76 698</b>	<b>16 000</b>	-	<b>92 698</b>	<b>89 611</b>	<b>3 087</b>	<b>96,7%</b>	<b>76 513</b>	<b>77 601</b>

	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>2.4 HIV and AIDS</b>									

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

<b>Current payments</b>	<b>183 265</b>	<b>(131 000)</b>		<b>52 265</b>	<b>49 958</b>	<b>2 307</b>	<b>95.6%</b>	<b>59 182</b>	<b>59 303</b>
Compensation of employees	168 084	(129 000)		39 084	39 233	(149)	100.4%	48 034	50 457
Goods and services	15 181	(2 000)		13 181	10 725	2 456	81.4%	11 148	8 846
<b>Transfers and subsidies</b>	<b>16 578</b>	<b>(4 400)</b>		<b>12 178</b>	<b>11 998</b>	<b>180</b>	<b>98.5%</b>	<b>14 050</b>	<b>13 898</b>
Non-profit institutions	16 578	(4 400)		12 178	11 982	196	98.4%	14 050	13 884
Households	-	-		-	16	(16)	-	-	14
<b>Total</b>	<b>199 843</b>	<b>(135 400)</b>		<b>64 443</b>	<b>61 956</b>	<b>2 487</b>	<b>96.1%</b>	<b>73 232</b>	<b>73 201</b>

	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>1 051</b>	<b>-</b>	<b>-</b>	<b>1 051</b>	<b>618</b>	<b>433</b>	<b>58.8%</b>	<b>1 001</b>	<b>675</b>
Compensation of employees	1 051	-	-	1 051	618	433	58.8%	1 001	675
Goods and services	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1 051</b>	<b>-</b>	<b>-</b>	<b>1 051</b>	<b>618</b>	<b>433</b>	<b>58.8%</b>	<b>1 001</b>	<b>675</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Programme 3: Children and Families</b>									
<b>Sub programme</b>									
1. Administration	53 418	(29 100)	-	24 318	21 587	2 731	88.8%	28 549	26 477
2. Care and Services to Families	74 305	(51 000)	-	23 305	20 085	3 220	86.2%	71 014	68 670
3. Child Care and Protection	150 563	81 000	-	231 563	211 283	20 280	91.2%	128 650	128 878
4. ECD Partial Care	317 352	34 000	-	351 352	367 037	(15 685)	104.5%	343 817	339 366
5. Child and Youth Care	61 935	18 000	-	79 935	92 348	(12 413)	115.5%	63 222	81 386
6. Community Based Care for Children	128 300	(29 000)	-	99 300	94 694	4 606	95.4%	101 000	91 026
<b>Total for sub programmes</b>	<b>785 873</b>	<b>23 900</b>	<b>-</b>	<b>809 773</b>	<b>807 034</b>	<b>2 739</b>	<b>99,7%</b>	<b>736 252</b>	<b>735 803</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>373 497</b>	<b>19 900</b>	<b>-</b>	<b>393 397</b>	<b>377 910</b>	<b>15 487</b>	<b>96.1%</b>	<b>330 763</b>	<b>323 566</b>
<b>Compensation of employees</b>	<b>345 766</b>	<b>19 000</b>	<b>-</b>	<b>364 766</b>	<b>354 135</b>	<b>10 631</b>	<b>97.1%</b>	<b>313 800</b>	<b>306 198</b>
Salaries and wages	250 121	19 000	-	269 121	300 227	(31 106)	111.6%	262 882	259 743
Social contributions	95 645	-	-	95 645	53 908	41 737	56.4%	50 918	46 455
<b>Goods and services</b>	<b>27 731</b>	<b>900</b>	<b>-</b>	<b>28 631</b>	<b>23 775</b>	<b>4 856</b>	<b>83.0%</b>	<b>16 963</b>	<b>17 368</b>
Administrative fees	378	-	-	378	173	205	45.8%	207	169
Advertising	1 625	-	-	1 625	844	781	51.9%	1 260	1 186
Minor assets	87	-	-	87	18	69	20.7%	99	-

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

Catering: Departmental activities	1 964	-	-	1 827	137	93,0%	1 494	1 182
Communication	332	-	-	256	76	77,1%	652	482
Contractors	-	-	-	-	-	-	-	56
Agency and support / outsourced services	2 354	-	-	3 298	(944)	140,1%	-	-
Fleet services	100	-	-	113	(13)	113,0%	80	219
Inventory: Clothing material and supplies	240	-	-	237	3	98,8%	50	34
Inventory: Farming supplies	121	-	-	77	44	63,6%	-	-
Inventory: Food and food supplies	1 116	-	-	847	269	75,9%	2 981	3 093
Inventory: Fuel oil and gas	205	-	-	169	36	82,4%	101	95
Inventory: Materials and supplies	-	-	-	-	-	-	300	115
Inventory: Medical supplies	-	-	-	-	-	-	60	53
Inventory: Other supplies	144	-	-	62	82	43,1%	-	-
Consumable supplies	1 079	-	-	604	475	56,0%	1 284	944
Consumable: Stationery printing and office supplies	1 675	-	-	745	930	44,5%	1 074	753
Operating leases	295	-	-	171	124	58,0%	250	204
Property payments	10 837	-	-	7 806	3 031	72,0%	3 454	2 857
Transport provided: Departmental activity	179	-	-	(73)	252	(40,8%)	47	13
Travel and subsistence	3 951	-	900	5 841	(990)	120,4%	3 173	5 314
Training and development	166	-	-	166	166	-	-	-
Operating payments	539	-	-	480	59	89,1%	63	474
Venues and facilities	270	-	-	212	58	78,5%	221	82
Rental and hiring	74	-	-	68	6	91,9%	113	43
<b>Transfers and subsidies</b>	<b>4 117 776</b>	<b>-</b>	<b>4 000</b>	<b>4 286 774</b>	<b>(12 898)</b>	<b>103,1%</b>	<b>405 489</b>	<b>412 277</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

Provinces and municipalities	-	-	-	-	14	(14)	-	-	15
<b>Municipalities</b>	-	-	-	-	<b>14</b>	<b>(14)</b>	-	-	<b>15</b>
Municipal bank accounts	-	-	-	-	14	(14)	-	-	15
Non-profit institutions	411 776	4 000	-	415 776	428 299	(12 523)	103,0%	405 489	412 158
Households	-	-	-	-	361	(361)	-	-	104
Social benefits	-	-	-	-	361	(361)	-	-	104
<b>Payments for capital assets</b>	<b>600</b>	-	-	<b>600</b>	<b>450</b>	<b>150</b>	<b>75,0%</b>	-	<b>(40)</b>
Other fixed structures	-	-	-	-	-	-	-	-	(40)
<b>Machinery and equipment</b>	<b>600</b>	-	-	<b>600</b>	<b>450</b>	<b>150</b>	<b>75,0%</b>	-	-
Other machinery and equipment	600	-	-	600	450	150	75,0%	-	-
<b>Total</b>	<b>785 873</b>	<b>23 900</b>	<b>-</b>	<b>809 773</b>	<b>807 034</b>	<b>2 739</b>	<b>99,7%</b>	<b>736 252</b>	<b>735 803</b>

	2017/18				2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>3.1 Administration</b>									
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>53 418</b>	<b>(29 100)</b>	-	<b>24 318</b>	<b>21 468</b>	<b>2 850</b>	<b>88,3%</b>	<b>28 549</b>	<b>26 459</b>
Compensation of employees	51 542	(30 000)	-	21 542	18 842	2 700	87,5%	26 000	23 433
Goods and services	1 876	900	-	2 776	2 626	150	94,6%	2 549	3 026

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

<b>Transfers and subsidies</b>												
Provinces and municipalities	-	-	-	-	-	119	(119)	-	-	-	-	18
Households	-	-	-	-	-	119	(119)	-	-	-	-	18
<b>Total</b>	<b>53 418</b>	<b>(29 100)</b>	<b>-</b>	<b>24 318</b>	<b>-</b>	<b>21 587</b>	<b>2 731</b>	<b>88.8%</b>	<b>28 549</b>	<b>-</b>	<b>26 477</b>	

<b>3.2 Care and Services for Families</b>												
	<b>2017/18</b>						<b>2016/17</b>					
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure			
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>			<b>R'000</b>
<b>Current payments</b>	<b>56 770</b>	<b>(51 000)</b>	<b>-</b>	<b>5 770</b>	<b>1 525</b>	<b>4 245</b>	<b>26.4%</b>	<b>54 114</b>	<b>51 579</b>			<b>51 579</b>
Compensation of employees	56 000	(51 000)	-	5 000	1 289	3 711	25.8%	53 000	50 536			50 536
Goods and services	770	-	-	770	236	534	30.6%	1 114	1 043			1 043
<b>Transfers and subsidies</b>	<b>17 535</b>	<b>-</b>	<b>-</b>	<b>17 535</b>	<b>18 560</b>	<b>(1 025)</b>	<b>105.8%</b>	<b>16 900</b>	<b>17 091</b>			<b>17 091</b>
Non-profit institutions	17 535	-	-	17 535	18 560	(1 025)	105.8%	16 900	17 071			17 071
Households	-	-	-	-	-	-	-	-	20			20
<b>Total</b>	<b>74 305</b>	<b>(51 000)</b>	<b>-</b>	<b>23 305</b>	<b>20 085</b>	<b>3 220</b>	<b>86.2%</b>	<b>71 014</b>	<b>68 670</b>			<b>68 670</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.3 Child Care and Protection</b>									
<b>Economic classification</b>									
<b>Current payments</b>	<b>150 563</b>	<b>81 000</b>	-	<b>231 563</b>	<b>211 154</b>	<b>20 409</b>	<b>91.2%</b>	<b>128 650</b>	<b>128 834</b>
Compensation of employees	148 300	81 000	-	229 300	207 791	21 509	90.6%	126 400	126 090
Goods and services	2 263	-	-	2 263	3 363	(1 100)	148.6%	2 250	2 744
<b>Transfers and subsidies</b>									
Provinces and municipalities	-	-	-	-	129	(129)	-	-	44
Households	-	-	-	-	129	(129)	-	-	44
<b>Total</b>	<b>150 563</b>	<b>81 000</b>	-	<b>231 563</b>	<b>211 283</b>	<b>20 280</b>	<b>91.2%</b>	<b>128 650</b>	<b>128 878</b>
<b>3.4 ECD and Partial Care</b>									
<b>Economic classification</b>									
<b>Current payments</b>	<b>43 957</b>	<b>19 000</b>	-	<b>62 957</b>	<b>68 057</b>	<b>(5 100)</b>	<b>108.1%</b>	<b>62 500</b>	<b>51 023</b>
Compensation of employees	32 487	19 000	-	51 487	60 934	(9 447)	118.3%	61 500	49 593
Goods and services	11 470	-	-	11 470	7 123	4 347	62.1%	1 000	1 430
<b>Transfers and subsidies</b>	<b>273 295</b>	<b>15 000</b>	-	<b>288 295</b>	<b>298 943</b>	<b>(10 648)</b>	<b>103,7%</b>	<b>281 317</b>	<b>288 343</b>
Provinces and municipalities									
Non-profit institutions	273 295	15 000	-	288 295	298 923	(10 628)	103,7%	281 317	288 321
Households	-	-	-	-	20	(20)	-	-	22
<b>Payments for capital assets</b>	<b>100</b>	-	-	<b>100</b>	<b>37</b>	<b>63</b>	<b>37.0%</b>	-	-
<b>Machinery and equipment</b>	<b>100</b>	-	-	<b>100</b>	<b>37</b>	<b>63</b>	<b>37.0%</b>	-	-
Machinery and equipment	100	-	-	100	37	63	37.0%	-	-
<b>Total</b>	<b>317 352</b>	<b>34 000</b>	-	<b>351 352</b>	<b>367 037</b>	<b>(15 685)</b>	<b>104,5%</b>	<b>343 817</b>	<b>339 366</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

	2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>3.5 Child and Youth Care</b>										
<b>Economic classification</b>										
<b>Current payments</b>	<b>42 489</b>	<b>18 000</b>	-	<b>60 489</b>	<b>74 666</b>	<b>(14 177)</b>	<b>123.4%</b>	<b>44 950</b>	<b>63 318</b>	
Compensation of employees	33 437	18 000	-	51 437	65 281	(13 844)	126.9%	37 900	56 546	
Goods and services	9 052	-	-	9 052	9 385	(333)	103.7%	7 050	6 772	
<b>Transfers and subsidies</b>	<b>18 946</b>	-	-	<b>18 946</b>	<b>17 269</b>	<b>1 677</b>	<b>91.1%</b>	<b>18 272</b>	<b>18 108</b>	
Provinces and municipalities	-	-	-	-	14	(14)	-	-	15	
Non-profit institutions	18 946	-	-	18 946	17 162	1 784	90.6%	18 272	18 093	
Households	-	-	-	-	93	(93)	-	-	-	
<b>Payments for capital assets</b>	<b>500</b>	-	-	<b>500</b>	<b>413</b>	<b>87</b>	<b>82.6%</b>	<b>-</b>	<b>(40)</b>	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	(40)	
Machinery and equipment	500	-	-	500	413	87	82.6%	-	-	
<b>Total</b>	<b>61 935</b>	<b>18 000</b>	-	<b>79 935</b>	<b>92 348</b>	<b>(12 413)</b>	<b>115.5%</b>	<b>63 222</b>	<b>81 386</b>	
<b>3.6 Community Based Care for Children</b>										
<b>Economic classification</b>										
<b>Current payments</b>	<b>26 300</b>	<b>(18 000)</b>	-	<b>8 300</b>	<b>1 040</b>	<b>7 260</b>	<b>12.5%</b>	<b>12 000</b>	<b>2 353</b>	
Compensation of employees	24 000	(18 000)	-	6 000	(2)	6 002	(0.0%)	9 000	-	
Goods and services	2 300	-	-	2 300	1 042	1 258	45.3%	3 000	2 353	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
<b>Transfers and subsidies</b>	<b>102 000</b>	<b>(11 000)</b>	-	<b>91 000</b>	<b>93 654</b>	<b>(2 654)</b>	<b>102.9%</b>	<b>89 000</b>	<b>88 673</b>	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
Non-profit institutions	102 000	(11 000)	-	91 000	93 654	(2 654)	102.9%	89 000	88 673	
<b>Total</b>	<b>128 300</b>	<b>(29 000)</b>	-	<b>99 300</b>	<b>94 694</b>	<b>4 606</b>	<b>95.4%</b>	<b>101 000</b>	<b>91 026</b>	

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

<b>Programme 4: Restorative Services</b>									
	<b>2017/18</b>					<b>2016/17</b>			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Administration	18 802	-	-	18 802	10 853	7 949	57.7%	10 948	19 155
2. Crime Prevention and Support	58 534	-	-	58 534	68 671	(10 137)	117.3%	56 766	56 977
3. Victim Empowerment	39 452	10 000	-	49 452	63 667	(14 215)	128.7%	63 692	61 068
4. Substance Abuse Prevention and Rehabilitation	51 133	-	-	51 133	33 548	17 585	65.6%	36 191	30 009
<b>Total for sub programmes</b>	<b>167 921</b>	<b>10 000</b>	-	<b>177 921</b>	<b>176 739</b>	<b>1 182</b>	<b>99.3%</b>	<b>167 597</b>	<b>167 209</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>141 881</b>	<b>10 000</b>	-	<b>151 881</b>	<b>152 628</b>	<b>(747)</b>	<b>100.5%</b>	<b>144 297</b>	<b>146 773</b>
<b>Compensation of employees</b>	<b>94 578</b>	<b>10 000</b>	-	<b>104 578</b>	<b>104 394</b>	<b>184</b>	<b>99.8%</b>	<b>93 014</b>	<b>92 845</b>
Salaries and wages	84 801	10 000	-	94 801	88 867	5 934	93.7%	73 779	78 894
Social contributions	9 777	-	-	9 777	15 527	(5 750)	158.8%	19 235	13 951
<b>Goods and services</b>	<b>47 303</b>	-	-	<b>47 303</b>	<b>48 234</b>	<b>(931)</b>	<b>102.0%</b>	<b>51 283</b>	<b>53 928</b>
Administrative fees	228	-	-	228	123	105	53.9%	30	20
Advertising	522	-	-	522	341	181	65.3%	927	608
Minor assets	210	-	-	210	245	(35)	116.7%	345	151
Bursaries: Employees	-	-	-	-	-	-	-	554	-
Catering: Departmental activities	862	-	-	862	509	353	59.0%	374	626
Communication	54	-	-	54	14	40	25.9%	153	274

**APPROPRIATION STATEMENT**  
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Computer services	1 000	-	-	1 000	-	950	-
Consultants: Business and advisory services	20	-	-	20	-	-	-
Agency and support / outsourced services	37 409	-	40 501	(3 092)	108.3%	40 000	44 884
Fleet services	181	-	-	181	-	7	182
Inventory: Clothing material and supplies	-	-	-	-	-	-	12
Inventory: Farming supplies	-	-	93	(93)	-	-	-
Inventory: Food and food supplies	16	-	7	9	43.8%	606	567
Inventory: Fuel oil and gas	39	-	20	19	51.3%	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	7
Inventory: Other supplies	-	-	-	-	-	-	-
Consumable supplies	832	-	566	266	68.0%	784	741
Consumable: Stationery printing and office supplies	743	-	383	360	51.5%	1 077	474
Operating leases	40	-	1	39	2.5%	133	51
Property payments	2 252	-	1 884	368	83.7%	2 662	2 043
Transport provided: Departmental activity	23	-	-	23	-	-	-
Travel and subsistence	2 164	-	3 239	(1 075)	149.7%	2 298	2 863
Training and development	300	-	137	163	45.7%	117	14
Operating payments	253	-	137	116	54.2%	5	153
Venues and facilities	115	-	34	81	29.6%	196	194
Rental and hiring	40	-	-	40	-	65	64
<b>Transfers and subsidies</b>	<b>24 340</b>	-	<b>22 463</b>	<b>1 877</b>	<b>92.3%</b>	<b>20 600</b>	<b>19 863</b>
Non-profit institutions	24 340	-	22 396	1 944	92.0%	20 600	19 824

**APPROPRIATION STATEMENT**  
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Households	-	-	67	(67)	-	-	39
Social benefits	-	-	67	(67)	-	-	39
<b>Payments for capital assets</b>	<b>1 700</b>	-	<b>1 648</b>	<b>52</b>	<b>96.9%</b>	<b>2 700</b>	<b>573</b>
<b>Machinery and equipment</b>	<b>1 700</b>	-	<b>1 648</b>	<b>52</b>	<b>96.9%</b>	<b>2 700</b>	<b>573</b>
Transport equipment	-	-	-	-	-	2 000	516
Other machinery and equipment	1 700	-	1 648	52	96.9%	700	57
<b>Total</b>	<b>167 921</b>	<b>10 000</b>	<b>176 739</b>	<b>1 182</b>	<b>99.3%</b>	<b>167 597</b>	<b>167 209</b>

	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>4.1 Administration</b>									
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>18 802</b>	-	-	<b>18 802</b>	<b>10 853</b>	<b>7 949</b>	<b>57.7%</b>	<b>10 948</b>	<b>19 138</b>
Compensation of employees	17 237	-	-	17 237	9 061	8 176	52.6%	9 695	17 734
Goods and services	1 565	-	-	1 565	1 792	(227)	114.5%	1 253	1 404
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	<b>17</b>
Households	-	-	-	-	-	-	-	-	<b>17</b>
<b>Total</b>	<b>18 802</b>	-	-	<b>18 802</b>	<b>10 853</b>	<b>7 949</b>	<b>57.7%</b>	<b>10 948</b>	<b>19 155</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

4.2 Crime Prevention and Support	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>54 939</b>	-	-	<b>54 939</b>	<b>66 895</b>	<b>(11 956)</b>	<b>121.8%</b>	<b>54 676</b>	<b>55 056</b>
Compensation of employees	16 558	-	-	16 558	25 527	(8 969)	154.2%	20 613	18 751
Goods and services	38 381	-	-	38 381	41 368	(2 987)	107.8%	34 063	36 305
<b>Transfers and subsidies</b>	<b>3 595</b>	-	-	<b>3 595</b>	<b>1 776</b>	<b>1 819</b>	<b>49.4%</b>	<b>2 090</b>	<b>1 921</b>
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions	3 595	-	-	3 595	1 749	1 846	48.7%	2 090	1 899
Households	-	-	-	-	27	(27)	-	-	22
<b>Total</b>	<b>58 534</b>	-	-	<b>58 534</b>	<b>68 671</b>	<b>(10 137)</b>	<b>117.3%</b>	<b>56 766</b>	<b>56 977</b>

**APPROPRIATION STATEMENT**  
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Economic classification	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>24 115</b>	<b>10 000</b>	-	<b>34 115</b>	<b>47 865</b>	<b>(13 750)</b>	<b>140.3%</b>	<b>49 204</b>	<b>47 405</b>
Compensation of employees	20 000	10 000	-	30 000	45 504	(15 504)	151.7%	37 000	34 628
Goods and services	4 115	-	-	4 115	2 361	1 754	57.4%	12 204	12 777
<b>Transfers and subsidies</b>	<b>15 337</b>	-	-	<b>15 337</b>	<b>15 802</b>	<b>(465)</b>	<b>103.0%</b>	<b>13 488</b>	<b>13 606</b>
Non-profit institutions	15 337	-	-	15 337	15 802	(465)	103.0%	13 488	13 606
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>-</b>	-	-	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 000</b>	<b>57</b>
Machinery and equipment	-	-	-	-	-	-	-	1 000	57
<b>Total</b>	<b>39 452</b>	<b>10 000</b>	-	<b>49 452</b>	<b>63 667</b>	<b>(14 215)</b>	<b>128.7%</b>	<b>63 692</b>	<b>61 068</b>

Economic classification	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>44 025</b>	-	-	<b>44 025</b>	<b>27 015</b>	<b>17 010</b>	<b>61.4%</b>	<b>29 469</b>	<b>25 174</b>
Compensation of employees	40 783	-	-	40 783	24 302	16 481	59.6%	25 706	21 732
Goods and services	3 242	-	-	3 242	2 713	529	83.7%	3 763	3 442
<b>Transfers and subsidies</b>	<b>5 408</b>	-	-	<b>5 408</b>	<b>4 885</b>	<b>523</b>	<b>90.3%</b>	<b>5 022</b>	<b>4 319</b>
Non-profit institutions	5 408	-	-	5 408	4 845	563	89.6%	5 022	4 319
Households	-	-	-	-	40	(40)	-	-	-
<b>Payments for capital assets</b>	<b>1 700</b>	-	-	<b>1 700</b>	<b>1 648</b>	<b>52</b>	<b>96.9%</b>	<b>1 700</b>	<b>516</b>
Machinery and equipment	1 700	-	-	1 700	1 648	52	96.9%	1 700	516
<b>Total</b>	<b>51 133</b>	-	-	<b>51 133</b>	<b>33 548</b>	<b>17 585</b>	<b>65.6%</b>	<b>36 191</b>	<b>30 009</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

Programme 5: Development and Research										
	2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Sub programme</b>										
1. Management and Support	88 901	24 000	-	112 901	137 594	(24 693)	121,9%	122 104	135 699	
2. Community Mobilisation	2 469	-	-	2 469	1 384	1 085	56,1%	2 351	1 546	
3. Institutional Capacity Building	16 053	-	-	16 053	12 992	3 061	80,9%	18 092	15 368	
4. Poverty Alleviation and Sustainable Livelihood	31 613	1 400	-	33 013	15 942	17 071	48,3%	22 008	14 179	
5. Community Based Research and Planning	600	-	-	600	453	147	75,5%	1 962	882	
6. Youth Development	10 650	-	-	10 650	8 405	2 245	78,9%	5 788	5 737	
7. Women Empowerment	4 500	-	-	4 500	2 668	1 832	59,3%	1 662	970	
8. Population and Policy Promotion	4 396	-	-	4 396	2 848	1 548	64,8%	4 750	3 665	
<b>Total for sub programmes</b>	<b>159 182</b>	<b>25 400</b>	<b>-</b>	<b>184 582</b>	<b>182 286</b>	<b>2 296</b>	<b>98,8%</b>	<b>178 717</b>	<b>178 046</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>130 823</b>	<b>24 000</b>	<b>-</b>	<b>154 823</b>	<b>156 779</b>	<b>(1 956)</b>	<b>101,3%</b>	<b>146 922</b>	<b>149 946</b>	
<b>Compensation of employees</b>	<b>108 648</b>	<b>21 000</b>	<b>-</b>	<b>129 648</b>	<b>139 002</b>	<b>(9 354)</b>	<b>107,2%</b>	<b>127 268</b>	<b>134 162</b>	
Salaries and wages	100 680	21 000	-	121 680	119 488	2 192	98,2%	110 472	116 071	
Social contributions	7 968	-	-	7 968	19 514	(11 546)	244,9%	16 796	18 091	
<b>Goods and services</b>	<b>22 175</b>	<b>3 000</b>	<b>-</b>	<b>25 175</b>	<b>17 663</b>	<b>7 512</b>	<b>70,2%</b>	<b>19 654</b>	<b>15 784</b>	
Administrative fees	10	-	-	10	3	7	30,0%	10	-	

**APPROPRIATION STATEMENT**  
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Advertising	986	-	986	524	462	53.1%	1 330	605
Minor assets	963	-	963	160	803	16.6%	1 281	33
Catering: Departmental activities	3 090	-	3 090	2 497	593	80.8%	2 826	2 129
Communication	180	-	180	175	5	97.2%	452	350
Agency and support / outsourced services	3 610	-	3 610	2 294	1 316	63.5%	730	394
Entertainment	-	-	-	-	-	-	45	-
Fleet services	202	-	202	171	31	84.7%	426	1 879
Inventory: Clothing material and supplies	324	-	324	198	126	61.1%	300	112
Inventory: Farming supplies	346	-	346	296	50	85.5%	160	-
Inventory: Food and food supplies	688	-	688	430	258	62.5%	1 432	-
Inventory: Materials and supplies	-	-	-	-	-	-	50	-
Inventory: Other supplies	30	-	30	21	9	70.0%	-	-
Consumable supplies	1 093	-	1 093	268	825	24.5%	1 474	548
Consumable: Stationery printing and office supplies	1 312	-	1 312	547	765	41.7%	1 621	972
Property payments	114	-	114	13	101	11.4%	500	1 074
Transport provided: Departmental activity	213	-	213	267	(54)	125.4%	451	107
Travel and subsistence	3 191	3 000	6 191	5 761	430	93.1%	4 778	6 079
Training and development	4 235	-	4 235	2 307	1 928	54.5%	192	-
Operating payments	334	-	334	561	(227)	168.0%	80	717
Venues and facilities	171	-	171	37	134	21.6%	512	201
Rental and hiring	1 083	-	1 083	601	482	55.5%	1 004	584
<b>Transfers and subsidies</b>	<b>28 359</b>	<b>1 400</b>	<b>29 759</b>	<b>25 621</b>	<b>4 138</b>	<b>86.1%</b>	<b>31 795</b>	<b>28 037</b>
Provinces and municipalities	-	-	-	42	(42)	-	-	-



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5.1 Management and Support		2017/18						2016/17		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>88 901</b>	<b>24 000</b>	-	<b>112 901</b>	<b>136 934</b>	<b>(24 033)</b>	<b>121.3%</b>		<b>118 104</b>	<b>130 810</b>
Compensation of employees	82 504	21 000	-	103 504	128 776	(25 272)	124.4%		116 662	126 318
Goods and services	6 397	3 000	-	9 397	8 044	1 353	85.6%		1 442	4 492
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>774</b>	<b>(774)</b>	<b>-</b>		<b>4 000</b>	<b>4 889</b>
Provinces and municipalities	-	-	-	-	42	(42)	-		-	-
Departmental agencies and accounts	-	-	-	-	-	-	-		4 000	4 000
Households	-	-	-	-	732	(732)	-		-	889
<b>Total</b>	<b>88 901</b>	<b>24 000</b>	<b>-</b>	<b>112 901</b>	<b>137 594</b>	<b>(24 693)</b>	<b>121.9%</b>		<b>122 104</b>	<b>135 699</b>

5.2 Community Mobilisation		2017/18						2016/17		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Current payments</b>	<b>2 469</b>	<b>-</b>	<b>-</b>	<b>2 469</b>	<b>1 384</b>	<b>1 085</b>	<b>56.1%</b>		<b>2 351</b>	<b>1 546</b>
Goods and services	2 469	-	-	2 469	1 384	1 085	56.1%		2 351	1 546



**APPROPRIATION STATEMENT**  
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5.4 Poverty Alleviation and Sustainable Livelihoods									
Economic classification	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>19 741</b>	-	-	<b>19 741</b>	<b>5 070</b>	<b>14 671</b>	<b>25.7%</b>	<b>6 892</b>	<b>3 665</b>
Compensation of employees	16 026	-	-	16 026	3 204	12 822	20.0%	3 263	2 741
Goods and services	3 715	-	-	3 715	1 866	1 849	50.2%	3 629	924
<b>Transfers and subsidies</b>	<b>11 872</b>	<b>1 400</b>	-	<b>13 272</b>	<b>10 872</b>	<b>2 400</b>	<b>81.9%</b>	<b>15 116</b>	<b>10 514</b>
Provinces and municipalities	11 872	1 400	-	13 272	10 872	2 400	81.9%	15 116	10 514
Non-profit institutions	11 872	1 400	-	13 272	10 872	2 400	81.9%	15 116	10 514
Households									
<b>Total</b>	<b>31 613</b>	<b>1 400</b>	-	<b>33 013</b>	<b>15 942</b>	<b>17 071</b>	<b>48.3%</b>	<b>22 008</b>	<b>14 179</b>

5.5 Community Based Research and Planning									
Economic classification	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>600</b>	-	-	<b>600</b>	<b>453</b>	<b>147</b>	<b>75.5%</b>	<b>1 962</b>	<b>819</b>
Compensation of employees	-	-	-	-	146	-146	-	-	-
Goods and services	600	-	-	600	307	293	51.2%	1 962	819
<b>Payments for capital assets</b>									
Machinery and equipment									
<b>Total</b>	<b>600</b>	-	-	<b>600</b>	<b>453</b>	<b>147</b>	<b>75.5%</b>	<b>1 962</b>	<b>882</b>

**APPROPRIATION STATEMENT**  
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5.6 Youth Development	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>6 141</b>	-	-	<b>6 141</b>	<b>5 403</b>	<b>738</b>	<b>88.0%</b>	<b>4 351</b>	<b>4 300</b>
Compensation of employees	1 598	-	-	1 598	2 036	(438)	127.4%	1 522	833
Goods and services	4 543	-	-	4 543	3 367	1 176	74.1%	2 829	3 467
<b>Transfers and subsidies</b>	<b>4 509</b>	-	-	<b>4 509</b>	<b>3 002</b>	<b>1 507</b>	<b>66.6%</b>	<b>1 437</b>	<b>1 437</b>
Non-profit institutions	4 509	-	-	4 509	3 002	1 507	66.6%	1 437	1 437
<b>Total</b>	<b>10 650</b>	-	-	<b>10 650</b>	<b>8 405</b>	<b>2 245</b>	<b>78.9%</b>	<b>5 788</b>	<b>5 737</b>

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	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>1 500</b>	-	-	<b>1 500</b>	<b>668</b>	<b>832</b>	<b>44.5%</b>	<b>1 662</b>	<b>970</b>
Goods and services	1 500	-	-	1 500	668	832	44.5%	1 662	970
<b>Transfers and subsidies</b>	<b>3 000</b>	-	-	<b>3 000</b>	<b>2 000</b>	<b>1 000</b>	<b>66.7%</b>	-	-
Non-profit institutions	3 000	-	-	3 000	2 000	1 000	66.7%	-	-
Households									
<b>Total</b>	<b>4 500</b>	-	-	<b>4 500</b>	<b>2 668</b>	<b>1 832</b>	<b>59.3%</b>	<b>1 662</b>	<b>970</b>

	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>4 396</b>	-	-	<b>4 396</b>	<b>2 848</b>	<b>1 548</b>	<b>64.8%</b>	<b>4 750</b>	<b>3 665</b>
Compensation of employees	2 795	-	-	2 795	1 766	1 029	63.2%	2 369	1 924
Goods and services	1 601	-	-	1 601	1 082	519	67.6%	2 381	1 741
<b>Total</b>	<b>4 396</b>	-	-	<b>4 396</b>	<b>2 848</b>	<b>1 548</b>	<b>64.8%</b>	<b>4 750</b>	<b>3 665</b>

**NOTES TO THE APPROPRIATION STATEMENT**

for the year ended 31 March 2018

**1. Detail of transfers and subsidies as per Appropriation Act (after Virement):**

Details	2017/18 R'000	2016/17 R'000
Other transfers	529 833	513 348

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

None

**3. Detail on payments for financial assets**

None

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

<b>4.1 Per programme</b>	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>Variance R'000</b>	<b>Variance as a % of Final Appropriation</b>
Administration	305 730	303 809	1 921	1%
Social Welfare Services	348 832	345 229	3 603	1%
Children and Families	809 773	807 034	2 739	0%
Restorative Services	177 921	176 739	1 182	1%
Development and Research	184 582	182 286	2 296	1%
<b>4.2 Per economic classification</b>	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>Variance R'000</b>	<b>Variance as a % of Final Appropriation R'000</b>
<b>Current payments</b>				
Compensation of employees	995 415	992 608	2 807	0%
Goods and services	248 140	239 536	8 604	3%
<b>Transfers and subsidies</b>				
Provinces and municipalities	350	272	78	22%
Departmental agencies and accounts	1 500	1 329	171	11%
Non-profit institutions	530 861	529 833	1 028	0%
Households	1 823	2 281	(458)	-25%
<b>Payments for capital assets</b>				
Buildings and other fixed structures	30 139	30 690	(551)	-2%
Machinery and equipment	20 588	20 340	248	1%

**NOTES TO THE APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

The underspending on good and services is due to the delay in completing maintenance of Early Childhood Development. The department has requested for the funds to be rolled over. The over spending on Households is due to more employees exiting employment than expected.

4.3 Per conditional grant	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
Expanded Public Work Grant	8 978	8 973	5	0%
Early Child Hood Grant	41 085	35 693	5 392	13%
Social Work Employment Grant	46 784	46 784	0	0%

The underspending on good and services is due to the delay in completing maintenance of Early Childhood Development. The department has requested for the funds to be rolled over.

**STATEMENT OF FINANCIAL PERFORMANCE**

for the year ended 31 March 2018

	Note	2017/18 R'000	2016/17 R'000
<b>REVENUE</b>			
Annual appropriation	1	1 826 838	1 677 937
Statutory appropriation	2	1 978	1 902
Departmental revenue	3	-	14 752
Aid assistance	4	9 190	16 469
<b>TOTAL REVENUE</b>		<b>1 838 006</b>	<b>1 711 060</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	5	992 608	889 247
Goods and services	6	239 536	213 972
Aid assistance	4	9 190	16 298
<b>Total current expenditure</b>		<b>1 241 334</b>	<b>1 119 517</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	533 715	522 475
<b>Total transfers and subsidies</b>		<b>533 715</b>	<b>522 475</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	51 030	31 149
<b>Total expenditure for capital assets</b>		<b>51 030</b>	<b>31 149</b>
<b>TOTAL EXPENDITURE</b>		<b>1 826 079</b>	<b>1 673 141</b>
<b>SURPLUS FOR THE YEAR</b>		<b>11 927</b>	<b>37 919</b>

**STATEMENT OF FINANCIAL PERFORMANCE**  
for the year ended 31 March 2018

**Reconciliation of Net Surplus for the year**

<b>Voted funds</b>	<b>11 927</b>	<b>22 996</b>
Annual appropriation	6 530	22 951
Conditional grants	5 397	45
Departmental revenue and NRF Receipts	<u>13</u> -	14 752
Aid assistance	<u>4</u> -	171
<b>SURPLUS FOR THE YEAR</b>	<b><u>11 927</u></b>	<b><u>37 919</u></b>

**STATEMENT OF FINANCIAL POSITION**  
as at 31 March 2018

	Note	2017/18 R'000	2016/17 R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>42 174</b>	<b>41 793</b>
Cash and cash equivalents	<u>9</u>	-	11 106
Prepayments and advances	<u>10</u>	25 175	16 870
Receivables	<u>11</u>	12 463	12 692
Aid assistance receivable	<u>11</u>	4 536	1 125
<b>Non-current assets</b>		<b>9 522</b>	<b>8 861</b>
Receivables	<u>11</u>	9 522	8 861
<b>TOTAL ASSETS</b>		<b>51 696</b>	<b>50 654</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>32 497</b>	<b>32 291</b>
Voted funds to be surrendered to the Revenue Fund	<u>12</u>	15 583	22 996
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>13</u>	695	4 038
Bank overdraft	<u>14</u>	2 913	-
Payables	<u>15</u>	13 306	5 257
Aid assistance unutilised	<u>4</u>	-	-
<b>Non-current liabilities</b>		<b>7 940</b>	<b>7 940</b>
Payables	<u>16</u>	7 940	7 940
<b>TOTAL LIABILITIES</b>		<b>40 437</b>	<b>40 231</b>
<b>NET ASSETS</b>		<b>11 259</b>	<b>10 423</b>

**STATEMENT OF FINANCIAL POSITION**  
as at 31 March 2018

	<i>Note</i>	<b>2017/18</b> <b>R'000</b>	<b>2016/17</b> <b>R'000</b>
<b>Represented by:</b>			
Capitalisation reserve		11 259	10 423
Recoverable revenue			
Retained funds			
Revaluation reserves			
<b>TOTAL</b>		<b>11 259</b>	<b>10 423</b>

**STATEMENT OF CHANGES IN NET ASSETS**  
for the year ended 31 March 2018

	<i>Note</i>	2017/18 R'000	2016/17 R'000
Recoverable revenue			
<b>Opening balance</b>		<b>10 423</b>	<b>20 993</b>
<b>Transfers:</b>		<b>836</b>	<b>(10 570)</b>
Debts revised		437	(1 584)
Debts recovered (included in departmental receipts)		(269)	(10 194)
Debts raised		668	1 208
<b>Closing balance</b>		<b>11 259</b>	<b>10 423</b>
<b>TOTAL</b>		<b>11 259</b>	<b>10 423</b>

**CASH FLOW STATEMENT**  
for the year ended 31 March 2018

	Note	2017/18 R'000	2016/17 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>		<b>1 839 389</b>	<b>1 707 855</b>
Annual appropriated funds received	<u>1.1</u>	1 825 988	1 677 937
Statutory appropriated funds received	<u>2</u>	1 978	1 902
Departmental revenue received	<u>3</u>	2 233	11 547
Aid assistance received	<u>4</u>	9 190	16 469
Net (increase)/decrease in working capital		(3 438)	(1 795)
Surrendered to Revenue Fund		(24 596)	(34 457)
Surrendered to RDP Fund/Donor		-	
Current payments		(1 241 334)	(1 119 517)
Payments for financial assets			
Transfers and subsidies paid		(533 715)	(522 475)
<b>Net cash flow available from operating activities</b>	<u>17</u>	<b>36 306</b>	<b>29 611</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	<u>8</u>	(51 030)	(31 149)
Proceeds from sale of capital assets	<u>3.2</u>	530	3 205
(Increase)/decrease in loans			
(Increase)/decrease in investments			
(Increase)/decrease in other financial assets			
<b>Net cash flows from investing activities</b>		<b>(50 500)</b>	<b>(27 944)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Distribution/dividend received			
Increase/(decrease) in net assets		836	(10 570)
Increase/(decrease) in non-current receivables		(661)	20 061
<b>Net cash flows from financing activities</b>		<b>175</b>	<b>9 491</b>
Net increase/(decrease) in cash and cash equivalents		(14 019)	11 158
Cash and cash equivalents at beginning of period		11 106	(52)
Unrealised gains and losses within cash and cash equivalents			
<b>Cash and cash equivalents at end of period</b>	<u>18</u>	<b>(2 913)</b>	<b>11 106</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

### PART A: ACCOUNTING POLICIES

<b>Summary of significant accounting policies</b>	
<p>The financial statements have been prepared in accordance with the following policies which have been applied consistently in all material aspects unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.</p> <p>The historical cost convention has been used except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.</p> <p>Where appropriate and meaningful additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA) Act 1 of 1999 (as amended by Act 29 of 1999) and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p>	
<b>1</b>	<p><b>Basis of preparation</b></p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
<b>2</b>	<p><b>Going concern</b></p> <p>The financial statements have been prepared on a going concern basis.</p>
<b>3</b>	<p><b>Presentation currency</b></p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
<b>4</b>	<p><b>Rounding</b></p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
<b>5</b>	<p><b>Foreign currency translation</b></p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.</p>
<b>6</b>	<p><b>Comparative information</b></p>
<b>6.1</b>	<p><b>Prior period comparative information</b></p> <p>Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.</p>
<b>6.2</b>	<p><b>Current year comparison with budget</b></p> <p>A comparison between the approved final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**for the year ended 31 March 2018**

<b>7</b>	<b>Revenue</b>
<b>7.1</b>	<p><b>Appropriated funds</b></p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>
<b>7.2</b>	<p><b>Departmental revenue</b></p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
<b>7.3</b>	<p><b>Accrued departmental revenue</b></p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>• it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>• the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
<b>8</b>	<b>Expenditure</b>
<b>8.1</b>	<b>Compensation of employees</b>
<b>8.1.1</b>	<p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
<b>8.1.2</b>	<p><b>Social contributions</b></p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
<b>8.2</b>	<p><b>Other expenditure</b></p> <p>Other expenditure (such as goods and services transfers and subsidies and payments for</p>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**for the year ended 31 March 2018**

	capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
<b>8.3</b>	<b>Accruals and payables not recognised</b> Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
<b>8.4</b>	<b>Leases</b>
<b>8.4.1</b>	<b>Operating leases</b> Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
<b>8.4.2</b>	<b>Finance leases</b> Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: <ul style="list-style-type: none"> <li>• cost being the fair value of the asset; or</li> <li>• the sum of the minimum lease payments made including any payments made to acquire ownership at the end of the lease term excluding interest.</li> </ul>
<b>9</b>	<b>Aid Assistance</b>
<b>9.1</b>	<b>Aid assistance received</b> Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
<b>9.2</b>	<b>Aid assistance paid</b> Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
<b>10</b>	<b>Cash and cash equivalents</b> Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement cash and cash equivalents comprise cash on

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**for the year ended 31 March 2018**

	hand deposits held other short-term highly liquid investments and bank overdrafts.
<b>11</b>	<p><b>Prepayments and advances</b></p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p>The department makes quarterly prepayments to Non-Profit Organisations (NPOs). These prepayments enables the organisations to render the services on behalf of the department. The Non-Profit Organisations (NPOs) submit claims which are then reconciled against the prepayments made and expense the prepayments suspense accounts</p>
<b>12</b>	<p><b>Loans and receivables</b></p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest where interest is charged less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
<b>13</b>	<p><b>Investments</b></p> <p>Investments are recognised in the statement of financial position at cost.</p>
<b>14</b>	<b>Financial assets</b>
<b>14.1</b>	<p><b>Financial assets (not covered elsewhere)</b></p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date a department shall measure its financial assets at cost less amounts already settled or written-off except for recognised loans and receivables which are measured at cost plus accrued interest where interest is charged less amounts already settled or written-off.</p>
<b>14.2</b>	<p><b>Impairment of financial assets</b></p> <p>Where there is an indication of impairment of a financial asset an estimation of the reduction in the recorded carrying value to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset is recorded in the notes to the financial statements.</p>
<b>15</b>	<p><b>Payables</b></p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
<b>16</b>	<b>Capital Assets</b>
<b>16.1</b>	<p><b>Immovable capital assets</b></p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when</p>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**for the year ended 31 March 2018**

	<p>ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
<b>16.2</b>	<p><b>Movable capital assets</b></p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
<b>16.3</b>	<p><b>Intangible assets</b></p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
<b>16.4</b>	<p><b>Project Costs: Work-in-progress</b></p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset the asset is transferred to the custodian subsequent to completion.</p>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**for the year ended 31 March 2018**

<b>17</b>	<b>Provisions and Contingents</b>
<b>17.1</b>	<p><b>Provisions</b></p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
<b>17.2</b>	<p><b>Contingent liabilities</b></p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
<b>17.3</b>	<p><b>Contingent assets</b></p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
<b>17.4</b>	<p><b>Commitments</b></p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
<b>18</b>	<p><b>Unauthorised expenditure</b></p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
<b>19</b>	<p><b>Fruitless and wasteful expenditure</b></p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements</p>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**for the year ended 31 March 2018**

	<p>when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>20</b>	<p><b>Irregular expenditure</b></p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>21</b>	<p><b>Changes in accounting policies accounting estimates and errors</b></p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
<b>22</b>	<p><b>Events after the reporting date</b></p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
<b>23</b>	<p><b>Principal-Agent arrangements</b></p> <p>The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues expenditures assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
<b>24</b>	<p><b>Recoverable revenue</b></p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous</p>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**for the year ended 31 March 2018**

	<p>financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
<b>25</b>	<p><b>Related party transactions</b></p> <p>A related party transaction is a transfer of resources services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
<b>26</b>	<p><b>Inventories</b></p> <p>At the date of acquisition inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
<b>27</b>	<p><b>Employee benefits</b></p> <p>The value of each major class of employee benefit obligation (accruals payables not recognised and provisions) is disclosed in the Employee benefits note.</p>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018**

**PART B: EXPLANATORY NOTES****1. Annual Appropriation****1.1 Annual Appropriation**

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

	<b>Final Appropriation</b>	<b>2017/18 Actual Funds Received</b>	<b>Funds not requeste d/not received</b>	<b>2016/17 Final Appropriation</b>	<b>Appropriation received</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Administration	305 730	304 880	850	286 520	286 520
Social Welfare Services	348 832	348 832	-	314 251	314 251
Children and Families	809 773	809 773	-	704 352	704 352
Restorative Services	177 921	177 921	-	193 597	193 597
Development and Research	184 582	184 582	-	179 217	179 217
<b>Total</b>	<b>1 826 838</b>	<b>1 825 988</b>	<b>850</b>	<b>1 677 937</b>	<b>1 677 937</b>

The department received R1 825 988 000.00 of its R1 826 838 000.00 total allocation. The outstanding R850 000.00 was received in April 2018.

**1.2 Conditional grants**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Total grants received	37	<u>96 847</u>	<u>11 242</u>
Provincial grants included in Total Grants received		<u>96 847</u>	<u>11 242</u>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**2. Statutory Appropriation**

	2017/18 R'000	2016/17 R'000
Members' remuneration	1 978	1 902
<b>Total</b>	<b>1 978</b>	<b>1 902</b>
Actual Statutory Appropriation received	<b>1 978</b>	<b>1 902</b>

**3. Departmental revenue**

	<i>Note</i>	2017/18 R'000	2016/17 R'000
Tax revenue			
Sales of goods and services other than capital assets	3.1	1 548	1 374
Sales of capital assets	3.2	530	3 205
Transactions in financial assets and liabilities	3.3	685	10 173
<b>Total revenue collected</b>		<b>2 763</b>	<b>14 752</b>
Less: Own revenue included in appropriation	13	2 763	-
<b>Departmental revenue collected</b>		<b>-</b>	<b>14 752</b>

The decline on transactions in financial assets and liabilities is due to 2012/13 NPO debts recovered during 2016/17. Not all revenue collected in 2017/18 was deposited on the 31<sup>st</sup> March 2018. The department carried accrued revenue on sale of capital assets.

**3.1 Sales of goods and services other than capital assets**

	<i>Note</i>	2017/18 R'000	2016/17 R'000
Sales of goods and services produced by the department		1 528	1 301
Sales by market establishment		383	277
Other sales		1 145	1 024
Sales of scrap waste and other used current goods		20	73
<b>Total</b>	3	<b>1 548</b>	<b>1 374</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**3.2 Sale of capital assets**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
<b>Tangible assets</b>	3	<b>530</b>	<b>3 205</b>
Machinery and equipment	31.2	530	3 205
<b>Total</b>		<b>530</b>	<b>3 205</b>

The decline is due to fifteen (15) vehicles sold in the current year compared to seventy three (73) in the prior year.

**3.3 Transactions in financial assets and liabilities**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Receivables	3	-	(21)
Other Receipts including Recoverable Revenue		685	10 194
<b>Total</b>		<b>685</b>	<b>10 173</b>

The decline is due to 2012/13 over payment recoveries done during 2016/17.

**4. Aid assistance**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Opening Balance		-	(171)
Prior period error			(5 366)
<b>As restated</b>		-	(5 537)
Transferred from statement of financial performance		-	5 537
<b>Closing Balance</b>		<b>-</b>	<b>-</b>

The department performed reconciliation of the aid assistance from 2010/11 and found that expenditure for donor from this period to 2013/4 was accounted for under Equitable Share as compensation of employees in the prior years.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**4.1. Aid assistance prepayments (expensed)**

	<i>Note</i>	<b>Amount as at 1 April 2017</b>	<b>Less: Received in the current year</b>	<b>Add: Current Year prepayments</b>	<b>Amount as at 31 March 2018</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Compensation of employees	4	-	(9 190)	9 190	-
<b>Total</b>		<b>-</b>	<b>(9 190)</b>	<b>9 190</b>	<b>-</b>

The department received R9 190 million in Aid assistance for 2017/18 financial year.

**4.2. Prior period error**

	<i>Note</i>	<b>2016/17 R'000</b>
<b>Nature of prior period error</b>	4	
The expenditure from 2011/12 to 2013/14 for aid assistance not taken into account and therefore paid under voted funds		(5 366)
Prior period error		(5 366)
<b>Total prior period errors</b>		<b>(5 366)</b>

The department performed reconciliation of the aid assistance from 2010/11 and found that expenditure for donor from this period to 2013/4 was accounted for under Equitable Share as compensation of employees in the prior years.

**4.3. Aid assistance expenditure per economic classification**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Current	4	9 190	16 298
<b>Total aid assistance expenditure</b>		<b>9 190</b>	<b>16 298</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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The department performed reconciliation of the aid assistance from 2010/11 and found that expenditure for donor from this period to 2013/4 was accounted for under Equitable Share as compensation of employees in the prior years.

**5. Compensation of employees**

**5.1 Salaries and Wages**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Basic salary		718 580	631 481
Performance award		9 196	12 318
Service Based		485	580
Compensative/circumstantial		3 362	5 968
Periodic payments		90	-
Other non-pensionable allowances		112 282	106 241
<b>Total</b>		<b>843 995</b>	<b>756 588</b>

**5.2 Social contributions**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
<b>Employer contributions</b>			
Pension		93 113	82 529
Medical		55 279	49 921
Bargaining council		221	209
<b>Total</b>		<b>148 613</b>	<b>132 659</b>
<b>Total compensation of employees</b>		<b>992 608</b>	<b>889 247</b>
<b>Average number of employees</b>		<b>2 950</b>	<b>2 811</b>

The increase in Compensation of employees is mainly due to general salary increase and leave gratuity paid to officials. The reduction in compensative/ circumstantial is due to the reduction of overtime payment during the financial year.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**6. Goods and services**

	<i>Note</i>	<b>2017/18</b> <b>R'000</b>	<b>2016/17</b> <b>R'000</b>
Administrative fees		456	278
Advertising		2 683	4 017
Minor assets	6.1	5 908	2 177
Bursaries (employees)		64	93
Catering		6 492	5 904
Communication		4 861	6 419
Computer services	6.2	5 515	8 921
Consultants: Business and advisory services		44	59
Legal services		154	9
Contractors		1 998	5 716
Agency and support / outsourced services		78 481	69 844
Entertainment			
Audit cost – external	6.3	5 854	5 687
Fleet services		17 526	14 998
Inventory	6.4	11 817	8 935
Consumables	6.5	8 089	12 509
Operating leases		1 324	1 986
Property payments	6.6	48 017	33 617
Rental and hiring		1 015	734
Transport provided as part of the departmental activities		457	301
Travel and subsistence	6.7	31 185	27 237
Venues and facilities		1 160	1 359
Training and development		4 881	1 214
Other operating expenditure	6.8	1 555	1 958
<b>Total</b>		<b><u>239 536</u></b>	<b><u>213 972</u></b>

The variance in Goods and Services on security services travel and subsistence and R4 000 000.00 transfer to NDA previously accounted for as departmental agency and accounts. Legal services payments relate to claims from the department of Justice.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018**

**6.1 Minor assets**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
<b>Tangible assets</b>	6	<b>5 908</b>	<b>2 177</b>
Machinery and equipment		5 908	2 177
<b>Total</b>		<b>5 908</b>	<b>2 177</b>

The increase in minor assets is due to the acquisition for the tools of trade.

**6.2 Computer services**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
SITA computer services	6	5 515	8 921
<b>Total</b>		<b>5 515</b>	<b>8 921</b>

The department now acquires software licensing from Microsoft not through SITA.

**6.3 Audit cost – External**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Regularity audits	6	5 854	5 687
Performance audits			
<b>Total</b>		<b>5 854</b>	<b>5 687</b>

**6.4 Inventory**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Clothing material and accessories	6	1 413	1 063
Farming supplies		466	-
Food and food supplies		9 419	7 277
Fuel oil and gas		239	119
Materials and supplies		116	190
Medical supplies		164	286
<b>Total</b>		<b>11 817</b>	<b>8 935</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**6.5 Consumables**

	Note 6	2017/18 R'000	2016/17 R'000
<b>Consumable supplies</b>		<b>2 790</b>	<b>7 042</b>
Uniform and clothing		6	1 315
Household supplies		1 791	4 036
IT consumables		965	1 533
Other consumables		28	158
Stationery printing and office supplies		5 299	5 467
<b>Total</b>		<b>8 089</b>	<b>12 509</b>

**6.6 Property payments**

	Note 6	2017/18 R'000	2016/17 R'000
Municipal services		707	1 479
Property maintenance and repairs		8 390	-
Other		38 920	32 138
<b>Total</b>		<b>48 017</b>	<b>33 617</b>

Other property payments relates to payments for outsourced security services provided at various institutions in the department.

**6.7 Travel and subsistence**

	Note 6	2017/18 R'000	2016/17 R'000
Local		31 125	27 228
Foreign		60	9
<b>Total</b>		<b>31 185</b>	<b>27 237</b>

Various officials travelled outside the country during the year under review.

**6.8 Other operating expenditure**

	Note 6	2017/18 R'000	2016/17 R'000
Resettlement costs		267	10
Other		1 288	1 948
<b>Total</b>		<b>1 555</b>	<b>1 958</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Other operating expenditure relates to the insurance for subsidised vehicles

**7. Transfers and subsidies**

		2017/18 R'000	2016/17 R'000
Provinces and municipalities	<i>Note</i> 38	272	167
Departmental agencies and accounts	<i>Annex 1B</i>	1 329	5 886
Non-profit institutions	<i>Annex 1F</i>	529 833	513 349
Households	<i>Annex 1G</i>	2 281	3 073
<b>Total</b>		<b><u>533 715</u></b>	<b><u>522 475</u></b>

The decline in agencies and accounts is due to reclassification of payments to NDA from Transfers and Subsidies to Good and Services. The increase in Non-profit institutions is mainly to the due Early Childhood Development Conditional Grant.

**8. Expenditure for capital assets**

		2017/18 R'000	2016/17 R'000
<b>Tangible assets</b>		<b>51 030</b>	<b>31 149</b>
Buildings and other fixed structures	<i>Note</i> 33.1	30 690	23 545
Machinery and equipment	31.1	20 340	7 604
<b>Total</b>		<b><u>51 030</u></b>	<b><u>31 149</u></b>

The increase is due to acquisition of additional desktops, furniture and other equipment.

**8.1 Analysis of funds utilised to acquire capital assets – 2017/18**

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>51 030</b>	-	<b>51 030</b>
Buildings and other fixed structures	30 690	-	30 690
Machinery and equipment	20 340	-	20 340
<b>Total</b>	<b><u>51 030</u></b>	-	<b><u>51 030</u></b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**8.2 Analysis of funds utilised to acquire capital assets – 2016/17**

	<b>Voted funds</b>	<b>Aid assistance</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Tangible assets</b>	<b>31 149</b>	<b>-</b>	<b>31 149</b>
Buildings and other fixed structures	23 545	-	23 545
Machinery and equipment	7 604	-	7 604
<b>Total</b>	<b>31 149</b>	<b>-</b>	<b>31 149</b>

**8.3 Finance lease expenditure included in Expenditure for capital assets**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
<b>Tangible assets</b>			
Machinery and equipment		1 692	880
<b>Total</b>		<b>1 692</b>	<b>880</b>

Finance lease mainly consist of photocopiers

**9. Cash and cash equivalents**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Consolidated Paymaster General Account		-	11 106
<b>Total</b>		<b>-</b>	<b>11 106</b>

**10. Prepayments and advances**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Prepayments (Not expensed)	10.2	10 258	3 147
Advances paid (Not expensed)	10.1	14 917	13 723
<b>Total</b>		<b>25 175</b>	<b>16 870</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Prepayments relates to transfer payments to NPOs while advances relates to payments made to NDA for training of NPOs and the IDT for infrastructure projects.

**10.1 Advances paid (Not expensed)**

	<i>Note</i>	<b>Balance as at 1 April 2017 R'000</b>	<b>Less: Amount expensed in current year R'000</b>	<b>Add: Current Year prepayment s R'000</b>	<b>Balance as at 31 March 2018 R'000</b>
Public entities	10	13 723	532	1 726	14 917
Other entities					
<b>Total</b>		<b>13 723</b>	<b>532</b>	<b>1 726</b>	<b>14 917</b>

Advances relates to payments made to NDA for training of NPOs and the IDT for infrastructure projects. The matter relating to R10 million utilised by the IDT was referred to the provincial Treasury for investigation.

**10.2 Prepayments (Not expensed)**

	<i>Note</i>	<b>Balance as at 1 April 2017 R'000</b>	<b>Less: Amount expensed in current year R'000</b>	<b>Add: Current Year prepayments R'000</b>	<b>Balance as at 31 March 2018 R'000</b>
Transfers and subsidies	10	3 147	3 147	10 258	10 258
<b>Total</b>		<b>3 147</b>	<b>3 147</b>	<b>10 258</b>	<b>10 258</b>

Prepayments relates to transfer payments to NPOs.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**11. Receivables**

		2017/18		2016/17			
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
	<i>Note</i>						
Claims recoverable	11.1	2 061	-	2 061	1 355	-	1 355
Claims recoverable (Aid Assistance)	11.2	4 536	-	4 536	1 125	-	1 125
Recoverable expenditure	11.3	48	7 940	7 988	843	7 940	8 783
Staff debt	11.4	940	255	1 195	739	402	1 141
Fruitless and wasteful expenditure	11.5						
Other debtors	11.6	9 414	1 327	10 741	9 755	519	10 274
<b>Total</b>		<b>16 999</b>	<b>9 522</b>	<b>26 521</b>	<b>13 817</b>	<b>8 861</b>	<b>22 678</b>

**11.1 Claims recoverable**

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Provincial departments		2 061	1 226
Private enterprises		-	129
<b>Total</b>	11	<b>2 061</b>	<b>1 355</b>

Claims recoverable provincial departments relates to fourth quarter claim received in April for SASSA shared service.

**11.2 Recoverable expenditure (Aid Assistance)**

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Public entities (Aid assistance)	11	4 536	1 125
<b>Total</b>		<b>4 536</b>	<b>1 125</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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An amount of R4 536 million has been made prior to the receipt of funds and is accounted for as a receivable.
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**11.3 Recoverable expenditure (disallowance accounts)**

	<i>Note</i> 11	<b>2017/18</b> <b>R'000</b>	<b>2016/17</b> <b>R'000</b>
General accounts		7 940	8 000
Deduction accounts		48	783
<b>Total</b>		<u><b>7 988</b></u>	<u><b>8 783</b></u>

**11.4 Staff debt**

	<i>Note</i> 11	<b>2017/18</b> <b>R'000</b>	<b>2016/17</b> <b>R'000</b>
Staff		1 195	1 141
<b>Total</b>		<u><b>1 195</b></u>	<u><b>1 141</b></u>

**11.5 Other debtors**

	<i>Note</i> 11	<b>2017/18</b> <b>R'000</b>	<b>2016/17</b> <b>R'000</b>
Social grant debtors		175	175
NGO debtors		5 247	5 290
Other debtors		5 319	4 809
<b>Total</b>		<u><b>10 741</b></u>	<u><b>10 274</b></u>

**11.6 Fruitless and wasteful expenditure**

	<i>Note</i> 11	<b>2017/18</b> <b>R'000</b>	<b>2016/17</b> <b>R'000</b>
Opening balance		-	-
Less amounts recovered		(1)	(2)
Less amounts written off			
Transfers from note 32 Fruitless and Wasteful Expenditure		1	2
Interest			
<b>Total</b>		<u><b>-</b></u>	<u><b>-</b></u>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**12. Voted funds to be surrendered to the Revenue Fund**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Opening balance		22 996	23 387
Prior period error	12.1	(17 401)	5 366
As restated		22 996	28 753
Transfer from statement of financial performance (as restated)		11 927	17 630
Voted funds not requested/not received	1.1	(850)	-
Paid during the year		(18 490)	(23 387)
<b>Closing balance</b>		<b>15 583</b>	<b>22 996</b>

The received R850 000.00 less from the Provincial Treasury and Surrendered R860 000.00 more because surrender is done before the finalization of the audit.

**12.1 Prior period error**

	<i>Note</i>	<b>2016/17 R'000</b>
<b>Nature of prior period error</b>		
The expenditure from 2011/12 to 2013/14 on aid assistance not taken into account and therefore paid under equitable share	12	5 366
Total prior period errors		<b>5 366</b>

The department performed reconciliation of the aid assistance from 2010/11 and found that expenditure for donor from this period to 2013/4 was accounted for under Equitable Share as compensation of employees in the prior years.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Opening balance		4 038	356
As restated		4 038	356
Transfer from Statement of Financial Performance (as restated)	3	-	14 752
Own revenue included in appropriation		2 763	
Transfer from aid assistance			
Paid during the year		(6 106)	(11 070)
<b>Closing balance</b>		<b>695</b>	<b>4 038</b>

**14. Bank Overdraft**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Consolidated Paymaster General Account		2 913	-
<b>Total</b>		<b>2 913</b>	<b>-</b>

An amount of R4 537 million on Aid assistance has been made prior to the receipt of funds and has been accounted for as a receivable in the statement of financial position. This has negatively affected the overall cash flow of the department.

**15. Payables – current**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Amounts owing to other entities		13 290	5 240
Clearing accounts	15.1	16	17
<b>Total</b>		<b>13 306</b>	<b>5 257</b>

The balance relates to under payments to NPOs and the payments to the NPOs will be made during 2018/19. The increase in amount owing to other entities is also due to month end interface timing differences on payments to SARS and GEPPF.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**15.1 Clearing accounts**

	<i>Note</i> 15	2017/18 R'000	2016/17 R'000
Deductions Accounts		16	17
<b>Total</b>		<b>16</b>	<b>17</b>

**16. Payables – non-current**

	<i>Note</i>	2017/18			R'000	2016/17 R'000
		R'000 One to two years	R'000 Two to three years	R'000 More than three years		
Amounts owing to other entities				7 940	7 940	7 940
<b>Total</b>				<b>7 940</b>	<b>7 940</b>	<b>7 940</b>

**17. Net cash flow available from operating activities**

	<i>Note</i>	2017/18 R'000	2016/17 R'000
<b>Net surplus as per Statement of Financial Performance</b>		<b>11 927</b>	<b>37 919</b>
<b>Add back non cash/cash movements not deemed operating activities</b>		<b>24 379</b>	<b>(8308)</b>
(Increase)/decrease in receivables – current		(3 182)	134
(Increase)/decrease in prepayments and advances		(8 305)	1 714
(Increase)/decrease in other current assets			
Increase/(decrease) in payables – current		8 049	(3 643)
Proceeds from sale of capital assets		(530)	(3 205)
Proceeds from sale of investments			
(Increase)/decrease in other financial assets			
Expenditure on capital assets		51 030	31 149
Surrenders to Revenue Fund		(24 596)	(34 457)
Surrenders to RDP Fund/Donor			
Voted funds not requested/not received		(850)	-
Own revenue included in appropriation		2 763	-
Other non-cash items			
<b>Net cash flow generated by operating activities</b>		<b>36 306</b>	<b>29 611</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**18. Reconciliation of cash and cash equivalents for cash flow purposes**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Consolidated Paymaster General account		(2 913)	11 106
<b>Total</b>		<b><u>(2 913)</u></b>	<b><u>11 106</u></b>

An amount of R4 536 million on Aid assistance has been made prior to the receipt of funds and has been accounted for as a receivable in the statement of financial position. This has negatively affected the overall cash flow of the department.

**19. Contingent liabilities and contingent assets****19.1 Contingent liabilities**

<b>Liable to</b>	<b>Nature</b>	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Housing loan guarantees	Employees	<i>Annex 3A</i>	564	399
Claims against the department		<i>Annex 3B</i>	413	46 333
Other		<i>Annex 3B</i>	7 620	7 620
<b>Total</b>			<b><u>8 597</u></b>	<b><u>54 352</u></b>

The matter on R45 million defamation was concluded during the financial year. Included in the balance is R1 million that relates to vehicle accident against the department. The finality of these cases is dependent on the court processes. The department issued guarantees worth R399 thousand.

**19.2 Contingent assets**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
<b>Nature of contingent asset</b>			
Over payment – Ditirisano		324	324
Over payment – Whisk-It		151	151
Stolen computer at the project- Emmos Trading		69	69
Vehicle accidents – districts		1 473	317
Over payment – Ngonyama		-	76
<b>Total</b>		<b><u>2 017</u></b>	<b><u>937</u></b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**20. Commitments**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
<b>Current expenditure</b>			
Approved and contracted		247 741	246 189
Approved but not yet contracted		<u>          </u>	<u>          </u>
		<b>247 741</b>	<b>246 189</b>
<b>Capital expenditure</b>			
Approved and contracted		78 955	93 048
Approved but not yet contracted		<u>          </u>	<u>          </u>
		<b>78 955</b>	<b>93 048</b>
<b>Total Commitments</b>		<b><u>326 696</u></b>	<b><u>339 237</u></b>

The following contracts are for the period longer than a year secure care (Polokwane) supply delivery and installation of furniture catering service at Polokwane welfare complex and Tubatse child and youth care centre food parcels and security.

**21. Accruals and payables not recognised****21.1 Accruals**

		<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
<b>Listed by economic classification</b>			
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>
			<b>Total</b>
Goods and services	44 057	-	44 057
Transfers and subsidies	2 768	-	2 768
Capital assets	2 894	-	2 894
Other			73
<b>Total</b>	<b><u>49 719</u></b>	<b><u>-</u></b>	<b><u>49 719</u></b>
		<i>Note</i>	
		<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
<b>Listed by programme level</b>			
Administration		14 314	6 097
Social Welfare Services		9 463	2 900
Children and Families		2 873	1 053
Restorative Services		17 005	4 547
Development and Research		6 064	2 794
<b>Total</b>		<b><u>49 719</u></b>	<b><u>17 391</u></b>

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Material amounts are mainly key accounts contractual obligations subsistence and transport.

**21.2 Payables not recognised**

Listed by economic classification			2017/18	2016/17
	30 Days	30+ Days	R'000	R'000
Goods and services	1 319	314	1 633	6 556
Transfers and subsidies	500	-	500	5 902
Capital assets	-	-	-	1 301
<b>Total</b>	<b>1 819</b>	<b>314</b>	<b>2 133</b>	<b>13 759</b>

Listed by programme level	Note	2017/18	2016/17
		R'000	R'000
Administration		511	2 596
Social Welfare Services		503	3 788
Children and Families		221	2 860
Restorative Services		94	4 092
Development and Research		804	423
<b>Total</b>		<b>2 133</b>	<b>13 759</b>

Included in the above totals are the following:	Note	2017/18	2016/17
		R'000	R'000
Confirmed balances with other departments	Annex 5	216	-
<b>Total</b>		<b>216</b>	<b>-</b>

Material amounts are mainly key accounts contractual obligations subsistence and transport.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**22. Employee benefits**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
Leave entitlement		48 089	41 898
Service bonus (Thirteenth cheque)		31 659	27 582
Performance awards		14 931	13 569
Capped leave commitments		31 994	31 652
Other		31 322	26 000
<b>Total</b>		<b>157 995</b>	<b>140 701</b>

The disclosure has negative leave to the value of **(R622 515.60)**

The employee's leave credits for annual are 22 or 30. It is up to the employees to decide when to utilise those credits between January – December. The report only indicated pro-rata credit of up to March 2018 hence employees who took more than the pro-rata credit has negative leaves which will be cleared during the cycle.

**23. Lease commitments****23.1 Operating leases**

	<b>Specialised military equipment</b>	<b>Land</b>	<b>Buildings and other fixed structures</b>	<b>Machinery and equipment</b>	<b>Total</b>
<b>2017/18</b>					
Not later than 1 year			200		200
Later than 1 year and not later than 5 years					
Later than five years					
<b>Total lease commitments</b>			<b>200</b>		<b>200</b>

	<b>Specialised military equipment</b>	<b>Land</b>	<b>Buildings and other fixed structures</b>	<b>Machinery and equipment</b>	<b>Total</b>
<b>2016/17</b>					
Not later than 1 year			479		479
Later than 1 year and not later than 5 years					
Later than five years					
<b>Total lease commitments</b>			<b>479</b>		<b>479</b>

The department is renting various buildings for office accommodation

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**23.2 Finance leases**

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
<b>2017/18</b>					
Not later than 1 year				2 788	2 788
Later than 1 year and not later than 5 years				1 625	1 625
Later than five years					
<b>Total lease commitments</b>				<b>4 413</b>	<b>4 413</b>
<b>2016/17</b>					
Not later than 1 year				949	949
Later than 1 year and not later than 5 years				1 230	1 230
Later than five years					
<b>Total lease commitments</b>				<b>2 179</b>	<b>2 179</b>

The lease disclosed relates to Photocopiers fax machines and cell phones

**24. Accrued departmental revenue**

	Note	2017/18 R'000	2016/17 R'000
Sales of capital assets		319	-
<b>Total</b>		<b>319</b>	<b>-</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**24.1 Analysis of accrued departmental revenue**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Add: amounts recorded		319	-
<b>Closing balance</b>		<u><u>319</u></u>	<u><u>-</u></u>

The department conducted auction towards the end of 2017/18 financial year not all payments were received from the auctioneer.

**25. Irregular expenditure****25.1 Reconciliation of irregular expenditure**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Opening balance		56 548	89 008
Prior period error		<u>(26 121)</u>	<u>(26 121)</u>
As restated		56 548	62 887
Add: Irregular expenditure – relating to prior year			
Add: Irregular expenditure – relating to current year		5 598	478
Less: Prior year amounts condoned		<u>(1 081)</u>	<u>(6 817)</u>
<b>Closing balance</b>		<u><u>61 065</u></u>	<u><u>56 548</u></u>

**Analysis of awaiting condonation per age classification**

Current year	5 598	478
Prior years	55 467	56 070
<b>Total</b>	<u><u>61 065</u></u>	<u><u>56 548</u></u>

The department investigated and condoned irregular expenditure transactions.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**25.2 Details of irregular expenditure – added current year (relating to current and prior years)**

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>2017/18 R'000</b>
Quotations were evaluated on the 16/05/2017 and CSD reports were printed on the 17/05/2017.	Under investigation	3
Motsatsi Trading and Services has attached original copy of sworn affidavit and quoted the same amount as Crilet (Pty) Ltd but they were denied points for BEE. Crilet (Pty) Ltd attached copy of sworn affidavit but it was recommended for appointment through drawing of lotts.	Under investigation	11
Quotations were evaluated on the 05/06/2017 and CSD reports were printed on the 05/06/2017 however CSD report for Miami Lodges was Non-Tax compliant during evaluation and it was recommended for acceptance.	Under investigation	3
Mokakatelela Trading and Projects as well as Vusimuzi and Projects scored equal points in terms of price however it was not explained how Mokakatelela Trading and Projects was recommended.	Under investigation	4
Aerollian Trading Enterprise and Napfumela Trading Enterprise have attached original copies of sworn affidavit but they were denied points for BEE.	Under investigation	3
MLE 7786 Enterprise was denied points for BEE even though they have attached original copy of sworn affidavit. Glasshead Trading Enterprise was allocated points for BEE even though they did not attach the BEE certificate or original sworn affidavit.	Under investigation	49
Quotations were evaluated on the 02/06/2017 and CSD reports were printed on the 02/06/2017 however CSD report for Hlulihluli Trade and Enterprise was Non-Tax compliant during evaluation and it was recommended for acceptance.	Under investigation	3
Quotations were evaluated on the	Under investigation	1

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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20/06/2017 and CSD reports were printed on the 20/06/2017 however CSD report for Miami Lodges was Non-Tax compliant during evaluation and it was recommended for acceptance.

Quotations were evaluated on the 27/06/2017 and CSD reports were printed on the 27/06/2017 however CSD report for Miami Lodges was	Under investigation	33
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Quotations were evaluated on the 12/06/2017 and CSD reports were printed on the 14/06/2017 however CSD report for Lepaz trust t/a Sidze Guest House's tax information could not be verified on CSD and it was recommended for acceptance without verifying the tax status of the company.	Under investigation	7
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Quotations were evaluated on the 09/06/2017 and CSD reports were printed on the 25/08/2017. The evaluation committee considered the CSD report printed by the supplier dated 15/05/2017 and it was Non-Tax complaint however it was recommended for appointment.	Under investigation	89
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Conditional grant saving not backed by funds in the bank account	Under investigation	5 392
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<b>Total</b>		<b>5 598</b>
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The department incurred Irregular expenditure and the level of the district and all cases are under investigation.

**25.3 Details of irregular expenditure condoned**

<b>Incident</b>	<b>Condoned by (condoning authority)</b>	<b>2017/18 R'000</b>
Security services at Senwabarwana One-Stop Centre for a period of three (3) months	Accounting officer	94
Supply and delivery of nappies	Accounting officer	72
Supply and delivery of cleaning material	Accounting officer	34
Security services at Mafefe One-Stop Centre for a period of three (3) months	Accounting officer	93
Purchase of groceries for Sekutupu	Accounting officer	9

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Old Age Home		
Purchase of cleaning material	Accounting officer	42
Catering of thirty eight (38) people	Accounting officer	7
Registration fees for Ntjie P.N and Makgoba M.S	Accounting officer	10
Accommodation meals and shuttle for Ntjie P.N and Makgoba M.S	Accounting officer	19
Air tickets for Ntjie P.N and Makgoba M.S	Accounting officer	17
Catering for two hundred and twenty (220) people	Accounting officer	12
Catering for two hundred and fifty (250) people	Accounting officer	14
Catering for five hundred and seventy (570) people	Accounting officer	28
Provisioning of sound system	Accounting officer	12
Provisioning of sound system	Accounting officer	7
Provisioning of 1 x VIP toilet 2 x chemical toilets 5 x rectangular tables and 350 x chairs	Accounting officer	9
Printing of five hundred (500) copies of Citizens Report and three hundred (300) of Service Delivery Improvement Plan.	Accounting officer	11
Accommodation and meals for 2 officials in Umthunzi Boutique Hotel from the 10th to 11th of September 2014	Accounting officer	3
Accommodation and meals Protea Hotel The Ranch from the 10th to 12th of September 2014.	Accounting officer	48
Accommodation, catering etc	Accounting officer	540
<b>Total</b>		<b>1 081</b>

Various transactions were investigated and condoned by the accounting officer.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018**

**25.4 Prior period error**

	<i>Note</i>	<b>2016/17 R'000</b>
<b>Nature of prior period error</b>		
Relating to 2012/13 the transactions were reviewed and found to be proper		(26 121)
2012/13 transactions were reviewed and found to be proper		(26 121)
<b>Total prior period errors</b>		<b>(26 121)</b>

The department incorrectly recorded an amount relating to Life Esidimeni and transaction relating to NPO funding. These transactions were discovered to be proper during the year under review and must be corrected using accounting standards dealing with prior years errors in terms of the irregular expenditure guide.

**26. Fruitless and wasteful expenditure****26.1 Reconciliation of fruitless and wasteful expenditure**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Opening balance		16 576	10 767
Prior period error		(10 000)	(10 000)
As restated		16 576	10 767
Fruitless and wasteful expenditure – relating to prior year			5 811
Fruitless and wasteful expenditure – relating to current year		49	5
Less: Amounts resolved		(9 973)	(5)
Less: Amounts transferred to receivables for recovery	11.5	(1)	(2)
<b>Closing balance</b>		<b>6 651</b>	<b>16 576</b>

The department investigated and resolved fruitless expenditure on Vukuzenzele, Bosasa and other transactions were recovered from responsible officials. The remaining transactions are currently being investigated by Risk Management.

**26.2 Analysis of awaiting resolution per economic classification**

	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Current	49	5
Capital		
Transfers and subsidies		
<b>Total</b>	<b>49</b>	<b>5</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**26.3 Analysis of Current year's (relating to current and prior years) fruitless and wasteful expenditure**

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>2017/18 R'000</b>
Capricon		1
Waterberg		1
Place of safety		4
Sekhukhune district		43
<b>Total</b>		<b>49</b>

The department incurred fruitless expenditure on Eskom Municipality and other transaction relates to no show when booked for accommodation.

**27. Related party transactions**

<b>Payments made</b>	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Goods and services		4 090	1 692
<b>Total</b>		<b>4 090</b>	<b>1 692</b>
	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
<b>Year end balances arising from payments</b>			
Receivables from related parties		1 979	-
Payables to related parties		391 718	303 209
<b>Total</b>		<b>393 697</b>	<b>303 209</b>

The increase in payables to the related party is a result of shared service claims from the department of Health for the year under review. The department has shared service relationship with the department of Health at the district, sub-district and institution level.

The department also has shares office space with SASSA at the sub district level

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**Use of buildings belonging to the department of Public Works Road and Infrastructure**

The department make use of buildings belonging to the department of Public Works.

**Services paid by the Provincial Treasury : Vote 5**

The services provided by the provincial Audit Committee are administered and paid for by Limpopo Provincial Treasury. The amount paid for Audit Committee is R354 000.

Limpopo Internal Audit Function is provided by the Provincial Treasury. The amount for internal audit is R3 736 000.00

**Services paid by the Limpopo Sport Arts and Culture: Vote 13**

Security and cleaning service at the Olympic Towers building (Provincial office) is paid by the department of Sports Arts and Culture.

**South African Social Security Agency**

The department has a shared service relationship with SASSA at the sub district level. The amount incurred by the department is R4 565 000.00 and the revenue received is R3 731 000.00

**Other related parties includes:**

Department of Education

Department of Safety Security and Liaison

Department of Co-operate Governance Human Settlement and Traditional Affairs

Department of Economic Development Environmental and Tourism

Provincial Legislature

Office of the Premier

Department of Transport

Department of Agriculture

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**28. Key management personnel**

	No. of Individuals	2017/18 R'000	2016/17 R'000
Political office bearers (provide detail below)	2	1 980	1 902
Officials:			
Level 15 to 16	1	1 600	1 963
Level 14 (incl. CFO if at a lower level)	4	3 811	4 511
<b>Total</b>		<b>7 391</b>	<b>8 376</b>

**29. Impairment**

	Note	2017/18 R'000	2016/17 R'000
Debtors		345	331
Fidelity Cash Management		7 940	7 940
<b>Total</b>		<b>8 285</b>	<b>8 271</b>

The balance of R8 285 000 relates to the departmental doubtful debts. The decision to impair followed the unsuccessful debt recovery process. The cases recorded no recovery for the past years.

**30. Non-adjusting events after reporting date**

Nature of event	2017/18 R'000
As part of strengthening the management and improving service delivery the following changes were effected:	
- Mr Malatji JT – appointed as Acting Chief Director: Corporate Services	
- Ms Mohale MI- redeployed as Chief Director: Service Delivery Coordination	
- Ms Mathagu KM – reassigned as Director for both Human Resource Management and Development.	
- Ms Sethosa MM – redeployed as Director Capricorn District	
<b>Total</b>	<b>_____</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**31. Movable Tangible Capital Assets**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>142 750</b>		<b>20 019</b>	<b>4 547</b>	<b>158 222</b>
Transport assets	110 981		6 979	3 259	114 701
Computer equipment	16 771	(17)	9 254	952	25 056
Furniture and office equipment	8 866	17	2 185	238	10 830
Other machinery and equipment	6 132		1 601	98	7 635
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>142 750</b>	<b>-</b>	<b>20 019</b>	<b>4 547</b>	<b>158 222</b>

**Movable Tangible Capital Assets under investigation**

	<b>Number</b>	<b>Value R'000</b>
<b>Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:</b>		
Machinery and equipment	103	2 462

Assets at Phasha Selatole One Stop Centre could not be verified because of land dispute. The breakdown of unverified assets at Phasha Selatole is as follows;

Three (03) major assets to the value of R1 444 189.57 (02 park homes to the value of R1 436 689.57 and 01 conference table to the value of R7 500.00)

Lost departmental assets can be broken down as follows:

Major assets are 07 to the valued of R70 792.42

89 major assets to the value of R832 634.00 that could not be verified

Office of the Premier (OTP) Legal Unit is assisting the Department with this matter. The findings revealed that only a certain portion of the land belongs to the claimant. OTP Legal Unit has requested that the Local Government Town Planners measure the portion of the land that belongs to both the claimant and the department. The State Attorney has further been instructed by OTP Legal Unit to apply to court to rescind an earlier judgment of awarding the land to the claimant and progress is still awaited from the State Attorney.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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The department has also put in place control measures to control and safeguard the assets and such measures include the following;

- Issuance of warning letters to asset holders for assets under their custody but could not be found during verification.
- Reinforcement of Loss Control committees.
- Completion of asset removal and movement forms.
- Keeping of assets which can easily be lost (laptops, cameras) at the district office or any highly secured place while waiting to be distributed or disposed.

**31.1 Additions**

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current not paid (Paid current year received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>20 341</b>	<b>1 243</b>	<b>(1 692)</b>	<b>127</b>	<b>20 019</b>
Transport assets	5 736	1 243			6 979
Computer equipment	9 015			239	9 254
Furniture and office equipment	2 307			(122)	2 185
Other machinery and equipment	3 283		(1 692)	10	1 601
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>20 341</b>	<b>1 243</b>	<b>(1 692)</b>	<b>127</b>	<b>20 019</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**31.2 Disposals****DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>3 404</b>	<b>1 143</b>	<b>4 547</b>	<b>530</b>
Transport assets	2 317	942	3 259	494
Computer equipment	787	165	952	18
Furniture and office equipment	232	6	238	11
Other machinery and equipment	68	30	98	7
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>3 404</b>	<b>1 143</b>	<b>4 547</b>	<b>530</b>

There is no separate disclosure for minor assets disclosure the department collected R20 414.47 from the sale of minor assets.

**31.3 Movement for 2016/17****MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 20YY**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>144 911</b>	<b>-</b>	<b>7 951</b>	<b>10 112</b>	<b>142 750</b>
Transport assets	114 501	-	4 418	7 938	110 981
Computer equipment	17 846	-	781	1 856	16 771
Furniture and office equipment	7 658	-	1 453	245	8 866
Other machinery and equipment	4 906	-	1 299	73	6 132
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>144 911</b>	<b>-</b>	<b>7 951</b>	<b>10 112</b>	<b>142 750</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**31.3.1 Prior period error**

	<i>Note</i>	<b>2016/17 R'000</b>
<b>Nature of prior period error</b>		
Relating to 2016/17		
Computer equipment		(17)
Furniture and Office equipment		17
Total prior period errors		<u>-</u>

The department reviewed the asset register and corrected assets worth R17 000.00 from computer equipment to furniture and office equipment.

**31.4 Minor assets****MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2018**

	<b>Specialised military assets R'000</b>	<b>Intangible assets R'000</b>	<b>Heritage assets R'000</b>	<b>Machinery and equipment R'000</b>	<b>Biological assets R'000</b>	<b>Total R'000</b>
Opening balance				36 429		36 429
Value adjustments				(39)		(39)
Additions				6 374		6 374
Disposals				(1 361)		(1 361)
<b>TOTAL MINOR ASSETS</b>				<b>41 403</b>		<b>41 403</b>
	<b>Specialised military assets</b>	<b>Intangible assets</b>	<b>Heritage assets</b>	<b>Machinery and equipment</b>	<b>Biological assets</b>	<b>Total</b>
Number of R1 minor assets						
Number of minor assets at cost				26 317		26 317
<b>TOTAL NUMBER OF MINOR ASSETS</b>				<b>26 317</b>		<b>26 317</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**Minor Capital Assets under investigation**

	<b>Number</b>	<b>Value R'000</b>
<b>Included in the above total of the minor capital assets per the asset register are assets that are under investigation:</b>		
Heritage assets		
Machinery and equipment	1 298	1 408

Minor assets at Phasha Selatole One Stop Centre could not be verified because of land dispute. The breakdown of unverified assets at Phasha Selatole is as follows;

- o Minor assets is 56 to the value of R72 950.00

The department also has 11 lost minor asset valued at R27 308.43

Other unverified minor assets are 1 180 valued at R1 256 057.42.

On the matter relating to Phasha Selatole One Stop Office of the Premier (OTP) Legal Unit is assisting the Department with this matter. The findings revealed that only a certain portion of the land belongs to the claimant. OTP Legal Unit has requested that the Local Government Town Planners measure the portion of the land that belongs to both the claimant and the department. The State Attorney has further been instructed by OTP Legal Unit to apply to court to rescind an earlier judgment of awarding the land to the claimant and progress is still awaited from the State Attorney.

The department has also put in place control measures to control and safeguard the assets and such measures include the following;

- o Issuance of warning letters to asset holders for assets under their custody but could not be found during verification.
- o Reinforcement of Loss Control committees.
- o Completion of asset removal and movement forms.
- o Keeping of assets which can easily be lost (laptops, cameras) at the district office or any highly secured place while waiting to be distributed or disposed.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2017**

	<b>Specialised military assets R'000</b>	<b>Intangible assets R'000</b>	<b>Heritage assets R'000</b>	<b>Machinery and equipment R'000</b>	<b>Biological assets R'000</b>	<b>Total R'000</b>
Opening balance				36 068		36 068
Prior period error						
Additions				2 515		2 515
Disposals				(2 154)		(2 154)
<b>TOTAL MINOR ASSETS</b>				<b>36 429</b>		<b>36 429</b>

	<b>Specialised military assets</b>	<b>Intangible assets</b>	<b>Heritage assets</b>	<b>Machinery and equipment</b>	<b>Biological assets</b>	<b>Total</b>
Number of R1 minor assets						
Number of minor assets at cost				828		828
<b>TOTAL NUMBER OF MINOR ASSETS</b>				<b>828</b>		<b>828</b>

**31.5 Movable assets written off**

**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2018**

	<b>Specialised military assets R'000</b>	<b>Intangible assets R'000</b>	<b>Heritage assets R'000</b>	<b>Machinery and equipment R'000</b>	<b>Biological assets R'000</b>	<b>Total R'000</b>
Assets written off				168		168
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>				<b>168</b>		<b>168</b>

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**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2017**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off				363		363
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>				<b>363</b>		<b>363</b>

**32. Intangible Capital Assets**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2018**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	129				129
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>129</b>				<b>129</b>

**32.1 Movement for 2016/17**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2017**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	129	-	-	-	129
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>129</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>129</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**33. Immovable Tangible Capital Assets****MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Opening balance R'000	Value adjustments	Additions R'000	Disposal s R'000	Closing Balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>278 951</b>		<b>131 545</b>		<b>410 496</b>
Dwellings					
Non-residential buildings	278 951		131 545		410 496
Other fixed structures					
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>278 951</b>		<b>131 545</b>		<b>410 496</b>

Seshego Treatment Center achieved practical completion and is currently ready for use.

**33.1 Additions****ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current not paid (Paid current year received prior year) R'000	Total R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	<b>30 690</b>	<b>131 545</b>	<b>(30 690)</b>		<b>131 545</b>
Dwellings					
Non-residential buildings	30 690	131 545	(30 690)		131 545
Other fixed structures					
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>30 690</b>	<b>131 545</b>	<b>(30 690)</b>		<b>131 545</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018**

Seshego Treatment Center achieved practical completion and is currently ready for use.

**33.2 Movement for 2016/17**

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>215 113</b>	<b>(210)</b>	<b>126 258</b>	<b>62 210</b>	<b>278 951</b>
Dwellings					
Non-residential buildings	215 113	(210)	126 258	62 210	278 951
Other fixed structures					
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>215 113</b>	<b>(210)</b>	<b>126 258</b>	<b>62 210</b>	<b>278 951</b>

**33.2.1 Prior period error**

	Note	2016/17 R'000
<b>Nature of prior period error</b>		
Relating to 2016/17 (affecting the opening balance)		(210)
Payment for Mphanama Schonoord Mohlaletsi and Saaiplas was duplicated		(210)
<b>Total prior period errors</b>		<b>(210)</b>

Payment for Mphanama Schonoord Mohlaletsi and Saaiplas was duplicated on the schedule for completed projects

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**33.3 Capital Work-in-progress**

**CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2018**

	<i>Note</i> <i>Annexure 7</i>	Opening balance 1 April 2017 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing balance 31 March 2018 R'000
Buildings and other fixed structures		140 647	30 690	131 545	39 792
<b>TOTAL</b>		<b>140 647</b>	<b>30 690</b>	<b>131 545</b>	<b>39 792</b>

Accruals and payables not recognised relating to Capital WIP	<i>Note</i>	2017/18 R'000	2016/17 R'000
Accruals		1 464	-
<b>Total</b>		<b>1 464</b>	<b>-</b>

**CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2017**

	<i>Note</i> <i>Annexure 7</i>	Opening balance 1 April 2016 R'000	Prior period error R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing balance 31 March 2017 R'000
Buildings and other fixed structures		243 360		23 545	(126 258)	140 647
<b>TOTAL</b>		<b>243 360</b>		<b>23 545</b>	<b>(126 258)</b>	<b>140 647</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**33.4 S42 Immovable assets**

**Assets subjected to transfer in terms of S42 of the PFMA – 2017/18**

	<b>Number of assets</b>	<b>Value of assets R'000</b>
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>36</b>	<b>281 398</b>
Non-residential buildings	36	281 398
<b>TOTAL</b>	<b>36</b>	<b>281 398</b>

**Assets subjected to transfer in terms of S42 of the PFMA – 2016/17**

	<b>Number of assets</b>	<b>Value of assets R'000</b>
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>19</b>	<b>279 161</b>
Dwellings		
Non-residential buildings	19	279 161
Other fixed structures		
<b>TOTAL</b>	<b>19</b>	<b>279 161</b>

**34. Principal-agent arrangements**

**42.1 Department acting as the principal**

	<b>Fee paid</b>	
	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
NDA	4 000	4 000
<b>Total</b>	<b>4 000</b>	<b>4 000</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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The decline in agencies and accounts is due to reclassification of payments to NDA from Transfers and Subsidies to Good and Services.

**35. Prior period errors**

<i>Note</i>	<b>Amount before error correction</b>	<b>Prior period error</b>	<b>Restated Amount</b>
	<b>R'000</b>	<b>2016/17 R'000</b>	<b>R'000</b>
<b>Liabilities: Employee benefits</b>			
Line affected: other	627	25 373	26 000
<b>Net effect</b>	<b>627</b>	<b>25 373</b>	<b>26 000</b>

Prior period adjustment on employee benefits relates to payables on accelerated grade progression

**36. Inventories**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
	<i>Annexure 6</i>	<b>R'000</b>	<b>R'000</b>
Opening balance		454	145
Add/(Less): Adjustments to prior year balances		63	
Add: Additions/Purchases – Cash		11 817	8 935
Add: Additions - Non-cash		392	
(Less): Disposals			
(Less): Issues		(12 268)	(8 626)
Add/(Less): Adjustments			
<b>Closing balance</b>		<b>458</b>	<b>454</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**37. STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT				2016/17	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (Overspending)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Expanded Public Work Grant	8 978				8 978	8 978	8 973	5	100%	11 242	11 197
Early child Hood Grant	41 085				41 085	41 085	35 693	5 392	87%		
Social Work Employment Grant	46 784				46 784	46 784	46 784		100%		
	<b>96 847</b>				<b>96 847</b>	<b>96 847</b>	<b>91 450</b>	<b>5 397</b>		<b>11 242</b>	<b>11 197</b>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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38. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			Re-allocations by National Treasury or National Department	%
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	R'000		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		
Greater Giyani Municipality	65			65	65				
Modimolle Municipality	28			28	28				
Polokwane Municipality	13			13	13				
Greater Tubatse Municipality	-			-	-				
Thulamela Municipality	-			-	-				
Vhembe district municipality	36			36	36				
Greater Sekhukhune	31			31	31				
Waterberg Municipality	29			29	29				
Capricon Municipality	70			70	70				
<b>TOTAL</b>	<b>272</b>			<b>272</b>	<b>272</b>		<b>272</b>		

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**ANNEXURE 1A**  
**STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2016/17 R'000
	DoRA and other transfers R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department %	Amount received by municipality R'000	Amount spent by municipality R'000	Unspent funds R'000	% of available funds spent by municipality %	
Greater Giyani Municipality	65			65	65							11
Modimolle Municipality	28			28	28							13
Polokwane Municipality	13			13	13							70
Greater Tubatse Municipality				-								24
Thulamela Municipality				-								48
Vhembe district	36			36	36							

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
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municipality			
Greater Sekhukhune Waterberg Municipality	31	31	31
Capricon Municipality	29	29	29
	70	70	70
<b>TOTAL</b>	<b>272</b>	<b>272</b>	<b>166</b>

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

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2016/17 Final Appropriation R'000
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
	National Development Agency HWSETA (skills development levy)	1 500	-	-	1 500	1 329	
<b>TOTAL</b>	<b>1 500</b>	<b>-</b>	<b>-</b>	<b>1 500</b>	<b>1 329</b>	<b>89%</b>	<b>5 500</b>

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

	TRANSFER ALLOCATION				EXPENDITURE		2016/17 Final Appropriatio n R'000
	Adjusted Appropriation Act	Roll overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
<b>NON-PROFIT INSTITUTIONS</b>							
<b>Transfers</b>							
Substance Abuse Prevention & Rehabilitation	5 408			5 408	4 845	90%	5 022
Care and support to older persons	32 278			32 278	23 667	73%	31 700
Crime Prevention and support	3 595			3 595	1 749	49%	4 090
Services to the Persons with Disabilities	17 530		3 000	20 530	18 642	91%	16 600
ECD and Partial Care	273 295		15 000	288 295	298 923	104%	250 817
Child and Youth Care	18 946			18 946	17 162	91%	18 472
Community Based Care for children	102 000		(11 000)	91 000	93 654	103%	113 000
Victim empowerment	15 337			15 337	15 802	103%	14 988
HIV and AIDS	16 578		(4 400)	12 178	11 982	98%	11 550
Care and support services to Families	17 535			17 535	18 560	106%	16 700
Youth Development	4 509			4 509	3 002	67%	1 437
Poverty Alleviation and Sustainable livelihood	11 872		1 400	13 272	10 872	82%	16 116
Institutional capacity	8 978			8 978	8 973	100%	11 242
Research and Planning							
Child Protections							
Women Development	3 000			3 000	2 000	67%	
	<b>530 861</b>	<b>-</b>	<b>4 000</b>	<b>534 861</b>	<b>529 833</b>	<b>99%</b>	<b>511 734</b>
<b>TOTAL</b>	<b>530 861</b>	<b>-</b>	<b>4 000</b>	<b>530 861</b>	<b>529 833</b>	<b>99%</b>	<b>511 734</b>

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

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
H/H EMPL S/BEN: INJURY ON DUTY					483		100
H/H EMPL S/BEN: LEAVE GRATUITY					1 798		1 565
<b>TOTAL</b>					<b>2 281</b>		<b>1 665</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**ANNEXURE 1H**  
**STATEMENT OF GIFTS DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT DONATION OR SPONSORSHIP	2017/18	2016/17
		R'000	R'000
<b>Received in kind</b>			
Vhembe Women's Club	URN	1	
Prime furniture Group	20 Chairs	-	50
National DSD	11 Laptops	-	115
Save the Children	Multifunction Printer	-	18
DSD Women's Club	Urn	-	1
National DSD	Office furniture	-	27
<b>Subtotal</b>		<b>1</b>	<b>211</b>
<b>TOTAL</b>		<b>1</b>	<b>211</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**ANNEXURE 11**  
**STATEMENT OF AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDI- TURE R'000	PAID BACK ON/BY 31 MARCH R'000	CLOSING BALANCE R'000
Received in cash						
HWSETA		-	9 190	9 190	-	-
<b>Subtotal</b>		-	9 190	9 190	-	-
<b>TOTAL</b>		-	<b>9 190</b>	<b>9 190</b>	-	-

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**ANNEXURE 1K**  
**STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT**

Grant Type	Apr 2017 R'000	May 2017 R'000	Jun 2017 R'000	Jul 2017 R'000	Aug 2017 R'000	Sept 2017 R'000	Oct 2017 R'000	Nov 2017 R'000	Dec 2017 R'000	Jan 2018 R'000	Feb 2018 R'000	Mar 2018 R'000	Total R'000
Other	-	5 225	80 205	47 917	9 259	109 521	19 871	104 037	14 752	8 142	77 988	52 916	529 833
<b>TOTAL</b>	<b>-</b>	<b>5 225</b>	<b>80 205</b>	<b>47 917</b>	<b>9 259</b>	<b>109 521</b>	<b>19 871</b>	<b>104 037</b>	<b>14 752</b>	<b>8 142</b>	<b>77 988</b>	<b>52 916</b>	<b>529 833</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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ANNEXURE 3A  
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2018 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2017	Guarantees draw downs during the year	Guarantees repaid/cancelled/reduced/released during the year	Revaluations	Closing balance 31 March 2018	Guaranteed interest for year ended 31 March 2018	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Subtotal								
	Housing								
	ABSA		111				111		
	NP Develop. Cor. (LIMDEV)		288	165			453		
	<b>TOTAL</b>		<b>399</b>	<b>165</b>	<b>-</b>	<b>-</b>	<b>564</b>		

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**ANNEXURE 3B**  
**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2018**

Nature of Liability	Opening Balance 1 April 2017 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2018 R'000
<b>Claims against the department</b>					
Allegation that the Department published defamatory statements about the plaintiff in several newspapers	45 000		45 000		-
Allegation that the Department published defamatory statements about the plaintiff (Mphahele and Mbambo)	100				100
The plaintiff (Mashau Mabotse) alleged that she was called a thief by a social worker at Mashamba clinic	1 000		1 000		-
MVA: Mohoto collided with Lubisi and caused damages to the value of R5 060	50				50
MVA: Employee (Masithulela) collided with the car of Mr Mutsila thereby alleged causing damages to his car. The officer was on duty by the time of accident	39				39
MVA: Macheke KE a Social Worker at Waterberg collided with a motor vehicle belonging to David Mulaudzi thereby causing damages	30				30
Alleged that minister promise to provide the plaintiff with food and cash payment of R3000	3				3
Alleged that the Department Of Social Development did not pay the Service provider DEVELOPNOMIC PTY LTD as per Order that was issued	12				12
Matsobane Gabriel Setsiba/ MEC: Fuel claim: Department/ defendant did not pay a plaintiff's fuel claim/ allowance. Summons issued to State attorney to file notice of intention to defend.		10			10

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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GJ DE klerk/ MEC: MVA: State vehicle collided with a third party vehicle. Summons issued. State attorney filed notice to defend	48	48	
D Mundzhedzi vs MEC MVA: State vehicle collided with third party vehicle.summons issued state attorney filled notice to defend	22	22	
Rasemate Johannes Nkoana / MEC for Motor Vehicle Accident	99		99
<b>Subtotal</b>	<b>46 333</b>	<b>80</b>	<b>46 000</b>
<b>Other</b>			<b>413</b>
Dispute by employees for payment of performance bonus	7 620	-	7 620
<b>Subtotal</b>	<b>7 620</b>	<b>-</b>	<b>7 620</b>
<b>TOTAL</b>	<b>53 953</b>	<b>80</b>	<b>46 000</b>
			<b>8 033</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**ANNEXURE 4**  
**CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18	
	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	Receipt date up to six (6) working days after year end	Amount R'000
<b>Department</b>								
National Department of Justice					-	-		
Gauteng education			91		91	-		
Limpopo Education			55	25	55	25		
Mpumalanga Social Development				25	-	25		
Correctional Service				26	-	26		
Limpopo Agriculture			48		48	-		
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>194</b>	<b>76</b>	<b>194</b>	<b>76</b>		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018ANNEXURE 5  
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2017/18 *	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
Current								
LP Health	32				32			-
LP Education					-			-
Northwest Social Development								-
National Department of Corporate Governance			42	42	42	42		42
Mpumalanga social Development				51				51
Gauteng Social Development								-
LP Agriculture	184		17		201			-
Limpopo Treasury								-
<b>Subtotal</b>	<b>216</b>	<b>-</b>	<b>59</b>	<b>93</b>	<b>275</b>	<b>93</b>		<b>93</b>
<b>TOTAL</b>	<b>216</b>	<b>-</b>	<b>59</b>	<b>93</b>	<b>275</b>	<b>93</b>		<b>93</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018ANNEXURE 6  
INVENTORIES

Inventories [Per major category]	Note	Quantity	2017/18	Quantity	2016/17
			R'000		R'000
Opening balance		7 086	454	1 320	145
Add/(Less): Adjustments to prior year balance		3 550	63		
Add: Additions/Purchases – Cash		23 236	11 817	52 292	8 935
Add: Additions - Non-cash		3 330	392		
(Less): Disposals		(27 552)	(12 268)	(46 526)	(8 626)
(Less): Issues					
Add/(Less): Adjustments					
<b>Closing balance</b>		<b>9 650</b>	<b>458</b>	<b>7 086</b>	<b>454</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**ANNEXURE 7**  
**MOVEMENT IN CAPITAL WORK IN PROGRESS**

**MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2018**

	Opening balance R'000	Current Year Capital WIP R'000	Ready for use (Asset register) / Contract terminated R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>140 647</b>	<b>30 690</b>	<b>(131 545)</b>	<b>39 792</b>
Dwellings				
Non-residential buildings	140 647	30 690	(131 545)	39 792
Other fixed structures				
<b>TOTAL</b>	<b>140 647</b>	<b>30 690</b>	<b>(131 545)</b>	<b>39 792</b>

Age analysis on ongoing projects	Number of projects		2017/118
	Planned Construction not started	Planned Construction started	Total R'000
0 to 1 Year			
1 to 3 Years		4	17 136
3 to 5 Years			
Longer than 5 Years	23		22 656
<b>Total</b>	<b>23</b>	<b>4</b>	<b>39 792</b>

**MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2017**

	Opening balance R'000	Prior period error R'000	Current Year Capital WIP R'000	Ready for use (Asset register) / Contract terminated R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>243 360</b>	<b>-</b>	<b>23 545</b>	<b>(126 258)</b>	<b>140 647</b>
Dwellings					
Non-residential buildings	243 360	-	23 545	(126 258)	140 647
Other fixed structures					
<b>TOTAL</b>	<b>243 360</b>	<b>-</b>	<b>23 545</b>	<b>(126 258)</b>	<b>140 647</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**ANNEXURE 8A**  
**INTER-ENTITY ADVANCES PAID (note 14)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	R'000	R'000	R'000	R'000	R'000	R'000
<b>NATIONAL DEPARTMENTS</b>						
IDT	13 191	13 191			13 191	13 191
NDA	1 726	532			1 726	532
<b>Subtotal</b>	<b>14 917</b>	<b>13 723</b>	<b>-</b>	<b>-</b>	<b>14 917</b>	<b>13 723</b>
<b>TOTAL</b>	<b>14 917</b>	<b>13 723</b>	<b>-</b>	<b>-</b>	<b>14 917</b>	<b>13 723</b>