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Foreword by MEC Nomonde Rasmeni

Let me take this opportunity to present to you the Annual Report of the Department of Social Development. Our people still continue to live in abject poverty after a decade into democracy, we are therefore faced with a huge task of ensuring that we create self-reliant communities that are able to sustain themselves. As a department, we have tried in earnest to improve the lives of our people that we have a contract with as a government.

During the past financial year, we embarked on registration campaigns for Child Support Grants. This was as a result of the Child Support Grants to children under the age of 11 for this financial year and we have managed to meet our targets as set by the National Department. It is, however, still incumbent upon us to ensure that all children under the age of 14 are registered for the 2005/06 financial year. It should also be noted that we have managed to reach our targets in terms of uptake of all other grant types.

In order to ensure that our people learn to catch fish and do not continue to depend solely on handouts, we have funded poverty relief projects in different District Municipalities during this financial year. To ensure that they are sustainable, training has been provided in financial and project management to members of the funded projects. This, however, may not be enough. Our challenge therefore is to enlist the assistance of other stakeholders who are in a better position to assist with other necessary skills, such as mentoring.

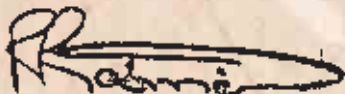
The launch of the North West CBO network last year was indeed a milestone. The network was established to create a cohesive body aimed at ensuring independence, vibrancy and sustainability of strong civil society organisations that will partner with government and the private sector to address socio-economic challenges facing the province.

The transformation of old age homes has also been a priority for the department during the past financial year. We will continue to focus on their transformation to ensure that they cater for all racial groups in the province.

I must really acknowledge that a lot still need to be done as there is still a lack of access to resources by a lot of our people to start empowerment projects and corporatives. There is still a lack of necessary skills, and most importantly, a lack of information on how funds are accessed.

The commitment demonstrated by officials in the department is encouraging and leaves me reassured that we will emerge victorious and create a South Africa that truly belongs to all, black and white.

I thank you all



Mr N.R. Rasmeni (MPL)
Member of the Executive Council

1. GENERAL INFORMATION

1.1 SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

Allow me to submit to you the Annual Report, which details the operations of the Department and its financial position as outlined in the Audited Annual Financial Statements for the year ended 31 March 2005.

1.2 INTRODUCTION BY HEAD OF THE INSTITUTION

Earlier in the year under review the Department set itself a target of systematic approach in rendering its services to the community through six approaches but interrelated themes, viz, Sustainable Livelihood, Social Protection, Care and Support, Access to services, HIV/Aids and Moral Regeneration.

The Department saw increased efforts in sustainable livelihood through its continued and increased support for the community based projects run by the women, the youth and rural communities. The total of 6 youth projects, 15 poverty alleviation projects and 4 drop-in centres were funded.

However we would also like to express our inability to fully implement National Food Emergency Scheme (NFES), which was intended to bring short-term relief to vulnerable households. This impediment was the result of a National tender, which was only awarded in February 2005.

We increased our social protection, care and support for the vulnerable through our social work programmes such as care of the aged, care for the disabled, victim empowerment and Early Childhood Development. The programme has seen R39 506 000 (99.4% of the transfer budget) being spent. This was done through continued improvement of our services in the following areas:

- (a) Increased participation in service clubs for the elderly,
- (b) Provision of alternative placement for victims of crime, violence and abuse reached 919
- (c) Decentralisation of Child Care Act functions to 18 service points from a target of 4 service points.
- (d) Increased diversion programmes for young offenders. 14 319 children were diverted.
- (e) Migration of foster cares and disabled to Social Grants. Safety nets increase of 4 050 foster care and 225 disabled children linked to safety net.
- (f) Reduction in the delays for submission and processing of claims.

Teething problems are still being encountered in the processing of claims and we are continually investigating the systems in order to identify weaknesses and introduce measures to ensure improvement.

Due to lack of human capital and infrastructure support which does not match the need for our service by the community of the North West Province, there are still large portions of under serviced areas.

The Department has improved its support for HIV/Aids home based care services and R8 539 000(98% of the budget) was transferred to Community Based Organisations and Faith Based Organisations who provide Home Based Care to the infected and affected. 2 389 (target of 1 800) received counselling/other services and 1 397-infected/affected households received material support and 22 community-based programmes were funded

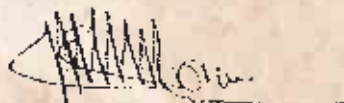
Social Assistance grants continued to grow faster and over 868 000 beneficiaries with payments amounting to R 3, 756 billion have been reached in the Province. The Department has been concerned with the sharp increase in Disability grant. The National Departments of Social Development and Health are busy developing a common definition of disability. There has been a lower intake of Child Support Grant Extension which has resulted in R87 million being unspent. The Department has intensified campaigns for the latter part of the year.

We have also engaged in the Anti-Fraud campaign driven by National Department of Social Development. We are heavily involved in the establishment of SASSA with direction given by National Social Development.

The Department has re-established its Corporate Governance structures in the Budget Committee, Bid Committee, Anti-Fraud and Corruption Steering Committee, Transport Committee and participates in all peer structures such as Heads of Department, CFO's Forum, Heads of Social Welfare and Social Security to keep abreast of latest developments.

The Department lost four Directors and we hope the valuable experience they learnt and also imparted to Department will be fully appreciated in their new environment.

In conclusion, the Department looks forward to new challenges in the form of gearing our core operations towards compliance with the Service Delivery Model, the anticipated Older Persons Bill, Children's Bill as well as the Child Justice Bill. The Social Assistance Grants, which is the biggest conditional grant in the Province brings on added responsibility in ensuring adherence to and full implementation of the Social Assistance and Welfare Acts.



P.M.H. MORULE
ACCOUNTING OFFICER

1.3 INFORMATION ON THE MINISTRY

1.3.1 Objective

For the Executing Authority to effectively and efficiently achieve her mandate, there is a need for administrative and advisory support to be provided.

1.3.2 The work of the Executive Authority

The mandate of the Executing Authority is to:-

- Improve the quality of life of the people of the North West by ensuring access to Social Services in the Province.
- She is committed to the agenda of Social Justice and the Bill of Rights as contained in the Constitution.
- As part of the mandate of this department the Executing Authority is to ensure the provision of social protection and social development services to all the North West people.

All these require extensive and ongoing consultation with all sectors of the society.

In an attempt to achieve the mandate of the Department, the Executing Authority must:-

- Participate in the legislature by responding to questions and tabling the relevant legislations.
- Ensure that the communities are consulted in an attempt to get their views and improve service delivery by the department.
- Participate at the Executive Council where decisions will be taken to alleviate poverty in the North West Province.

1.3.3. Parliamentary responses

The following interpellations questions were responded to:-

- Distribution of food parcels
- Pay points developments
- Finalization of misconduct hearings by the former Accounting Officer
- Delay by the Department in issuing out payments to the institutions

1.3.4. Bills tabled at the Legislature

- Older Person's Bill
- Children's Bill

1.3.5. Public Hearings

- Public hearings on the establishment of SASSA

Public hearings were held to make communities and stakeholders aware about the intentions of establishing SASSA in the North West Province as well as to get their views in that regard.

The said hearings were conducted in the following areas:-

1. Central District- Convention Centre :10 August 2004
2. Vryhof Village :11 August 2004

- **Public hearing on SASSA regulations**

A public hearing on the said regulations was conducted on the 10 March 2005 at the Central District Council.

Stakeholders from all the Districts were invited.

- **Anti-Fraud and Corruption Campaigns on Social Grants**

Central : 01 February 2005

Bophirima : 08 February 2005

Southern : 15 February 2005

Bojanala : 22 February 2005

Ga-Rankuwa : 03 March 2005

1.3.6 OFFICIAL VISITS

- **Visits abroad**

The Executing Authority led a delegation as mandated by the National Minister of Social Development to the World Conference on Disaster Reduction, which was held in Japan on the 18-22 January 2005.

The objectives of the Conference were to:-

- Identify specific activities aimed at ensuring the implementation of relevant provisions of the World Summit on Sustainable Development on vulnerability, risk assessment and disaster management.
 - Share best practices and lessons learned to further disaster reduction within the context of attaining sustainable development and to identify gaps and challenges, and
 - Increase awareness of the importance of disaster reduction policies, thereby facilitating and promoting the implementation of those policies.
- **MEC'S Road Shows (Announced and Unannounced Visits)**

The Executing Authority made announced and unannounced visits to assess and intervene in service delivery issues regarding problems experienced by communities as well as enhancing stakeholders relations and strengthening partnerships with the departmental stakeholders such as NGOs', FBOs' and CBOs.

1.4 MISSION STATEMENT

1.4.1. VISION

A caring and integrated society that is self-reliant and upholds human dignity.

1.4.2. MISSION

To achieve sustainable social development through cohesive intervention programmes and partnerships.

1.5 LEGISLATIVE MANDATE

LEGISLATIVE FRAMEWORK AND OTHER MANDATES

The legislation and mandates that regulate the service delivery of this Department are varied due to the fact that this Department renders services of three national competencies. The following legislative and mandatory frameworks inform the services rendered by this Department.

1.5.1 Legislation applicable to all directorates of the department

- The Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996)
- Public Finance Management Act, 1999 (Act No1 of 1999).
- Division of Revenue Act, 2001 (Act No. 1 of 2001)
- Protected Disclosures Act, 2000 (Act No. 26 of 2000)
- Labour Relations Act, 1995 (Act No. 66 of 1995)
- Employment Equity Act, 1998 (Act No 55 of 1998)
- Skills Development Act, 1998 (Act 1997 of 1998)
- Public Service Laws Amendment Act, 1997 (Act No. 47 of 1997)
- Public Service Laws Second Amendment Act, 1997 (Act No.93 of 1997).
- Public Service Act 1994
- White Paper on Affirmative Action in the Public Service, 1998.

1.5.2 Legislation specific to Social Development Services

- National Welfare Act, 1978 (Act No.100 of 1978), as amended
- Social Assistance Act, 1992 (Act No, 59 of 1992), as amended
- Aged Persons Amended Act, 1998(Act No.100 of 1998)
- White Paper for Social Welfare, Notice No.1108 of 1997
- National Drug Master Plan, 1999.
- Probation Services Act, 1991 (Act No.116 of 1991)
- Prevention Treatment of Drug Dependency Act (Act No.20 of 1974)
- Integrated National Disability Strategy, 1998
- Non-Profit Organisations Act, 1997 (Act No. 71 of 1997)
- Financing Policy Notice No. 463 of 1999

- Child Care Act, 1983 (Act No. 74 of 1983) as amended, Interim Policy Recommendations of the Inter-Ministerial Committee of Young People at Risk, 1996
- Correctional Services Act, 1969 (Act No.51 of 1977)
- National Crime Prevention Strategy 1995

Minimum Standards for Child and Youth Care Workers, All programmes operational within the Social Development Sector also need to be managed in accordance with the following international commitment:

- Beijing Plan of Action
- Copenhagen Declaration
- UNICEF – Children's Rights

These laws constitute the legal framework for social development in South Africa. All the abovementioned laws, excluding the Welfare Laws Amendment Act, 1997 and the Advisory Board on Social Development Act, 2001 have been amended a number of times since April 1994.

In addition, the White Paper for Social Welfare (1997) and Population Policy (1998) provide the policy framework for the Department's work. The Constitution also informs the work of the Department. Notably, Section 27 (1) of the Constitution provides for the right of access to appropriate social assistance to those unable to support themselves and their dependants. Section 28 (1) enshrines the rights of children with regard to appropriate care, basic nutrition, shelter, health care and social services, and detention.

1.5.2.1 Aged Persons Act, 1967

This Act provides for the protection and welfare of certain aged and debilitated persons, for the care of their interests, for the establishments and registration of certain institutions and for the accommodation and care of such persons in such institutions. The Act was amended a number of times before April 1994. Further amendments were made in November 1994 in order to, amongst others, repeal certain discriminatory provisions and in November 1998 in order to provide for the establishment of management committees for homes for the aged, to require reporting on the abuse of aged persons and to regulate the prevention of the abuse of aged persons. The Department is currently drafting a Bill on the status of older persons.

1.5.2.2 Fund Raising Act, 1978

The Fund-raising Act, 1978, that provided for control of the collection of contributions from the public and for the establishment of various relief funds was except for the relief fund chapter thereof, repealed in 1997 by the Non-Profit Organisations Act, 1997. The Department is in the process of amending the remaining part of the Act.

1.5.2.3 Social Service Professions Act, 1978

This Act, formerly known as the Social Work Act, provides for the establishment of the South African Council for Social Work and defines its powers and functions. The Act was amended on a number of occasions – in 1995 it provided for the establishment of the South African Interim Council for Social Work and for the rationalisation of certain laws relating to social workers that remained in force in the various areas of the national territory of the Republic. The Act was also amended in 1996 in order to make the South African Interim Council for Social Work more representative of the people of the country. The 1998 amendment established the South African Council for Social Service Professions and professional boards for social service professions.

1.5.2.4 Child Care Act, 1983

The Child Care Act, 1983 which provides for the establishment of children's courts and the appointment of commissioners of child welfare, for the protection and welfare of certain children, for the adoption of children and for the establishment of certain institutions for the reception of children and for the treatment of children after such reception, was amended in 1996 to provide for legal representation for children and for the registration of shelters. The 1999 amendment provided for the establishment of secure care facilities and for the prohibition against the commercial sexual exploitation of children. The Department and the South African Law Commission are currently preparing new comprehensive children's legislation. The Discussion Paper to develop comprehensive new Child Care legislation has been finalised. The drafting of the new Child Care Bill has commenced and it is envisaged that the draft Bill will be tabled in Parliament within the next year.

1.5.2.5 Probation Service Act, 1991

This Act provides for the establishment and implementation of programmes aimed at combating of crime and for the rendering of assistance to and treatment of certain persons involved in crime. The Probation Services Amendment Bill has been approved by Parliament in August 2002.

The Probation Services Amended Act, 2002 (Act no 35 of 2002) came into operation on 7 November 2002.

The Act serves as an interim measure to facilitate the transformation of the child and youth care system and provides, amongst others, for-

- new definitions, such as “assessment”, “diversion”, “early intervention”, a “family finder”, “home-based supervision” and “restorative justice”, which are relevant to the transformation of the child and youth care system;
- The introduction of assessment, support, referral and mediation services in respect of victims of crime;
- The establishment of restorative justice programmes and services as part of appropriate sentencing options;
- The assessment of arrested children who have not been released from custody; and the establishment of a probation advisory committee to advise the Minister on matters relating to probation services.

1.5.2.6 Prevention and Treatment of Drug Dependency Act 1992

This Act provides for the establishment of programmes for the prevention and treatment of drug dependency, the establishment of treatment centres and hostels, the registration of institutions as treatment centres and hostels and the committal of certain persons to and their detention, treatment and training in such treatment centres or registered treatment centres. The Act was amended in 1996 to extend the application of the Act to the whole of the national territory of the Republic and in 1999 to establish the central Drug Authority.

1.5.2.7 Social Assistance Act, 1992 and Welfare Laws Amendment Act, 1997

The Social Assistance Act, 1992 provides for the rendering of social assistance to persons, national councils and welfare organisations. The Act was amended in 1994 to further regulate the making of grants and financial awards to certain persons and bodies. In 1997 the Welfare Laws Amendment Act, 1997 amended the Social Assistance Act, 1992 in order to provide for uniformity of, equality of access to, and effective regulation, of social assistance throughout the Republic, to introduce the child- support grant, to do away with capitation grants, to abolish maintenance grants subject to the phasing out of existing maintenance grants over a period not exceeding three years, to provide for the delegation of certain powers, and to extend the application of the provisions of the Act to all areas in the Republic.

The following recent amendments to the Regulations under the Social Assistance Act, 1992, have been made: The assessment process for disability and care dependency was simplified by removing the role of the pension's medical officer and making provision for the creation of assessment panels to enable individuals living in rural areas, who have no access to doctors, to be assessed by a panel, so that they can qualify for a grant.

The Care Dependency Grant has been extended to custodians and guardians of children so that children infected and affected by HIV/ AIDS, do not have to be placed in foster care in order to access the grant. The income level for the means test to qualify for the Care Dependency Grant has been increased. Applications are required to declare the income of the parents only, rather than the income of the household as previously done. The asset means for all grant types are taken at nil values, if the property is owned and occupied by the applicant and his or her spouse.

These amendments make requirements for people to be properly informed about decisions made with respect to their grants. In addition, a broad framework for a new Social Assistance Act has been developed, which will be tabled in the new financial year.

1.5.2.8 Non- Profit Organisations Act, 1997

This Act repealed the Fund- raising Act, 1997, excluding the chapter, which deals with the relief funds, and provides 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. The Act was amended in 2000 to effect certain textual alterations.

1.5.2.9 National Development Agency Act, 1998

The National Development Agency Act, 1998 provides for a national funding, capacity building and coordination structure known as the National Development Agency (NDA). The NDA is mandated to grant funds to Civil Society Organisation (CSO's) enhance capacity and promote development dialogue, whilst meeting the developmental needs of poor communities.

1.5.2.10 Advisory Board on Social Development Act, 200

The Act provides for a national advisory structure in the social development sector with the aim of building and consolidating partnership between government and civil society and for that purpose, to establish a body to be known as the Advisory Board on Social Development

1.5.2.11 White Paper for Social Welfare (1997)

The White Paper sets out the principle, 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.

1.5.2.12 White Paper on Population Policy for South Africa (1998)

The White paper aims to promote sustainable human development and the quality of life of all South Africans, through the integration of population issues into development planning in all spheres of government and in all sectors of society. The policy mandates the Department of Social Development to monitor the implementation of the policy and it's impact on population trends and dynamics in the context of sustainable human development. Government Departments and their counterparts in civil society should be capacitated and supported to understand the critical linkages between population and development, and to integrate population issues in development planning through research and the dissemination of data and information.

1.5.2.13 Domestic Violence Act

Provincial social workers and lay counsellors require training in the implementation of the Domestic Violence Act. The national Department is participating in the development of an integrated manual on the Domestic Violence Act, which will be used to jointly train social workers.

1.5.3 OTHER POLICY DEVELOPMENTS

1.5.3.1 The Child Justice Bill

The Child Justice Bill introduces significant changes to the way children in conflict with the law are managed within the criminal justice system. It proposes a wider use of diversion programmes and addresses issues relating to arrest, assessment, detention, trial and sentencing of children. The Bill also requires the setting up of procedures to monitor and assess the proper implementation of the legislation.

The purpose of this Bill is to establish a criminal justice process for children accused of committing offences which aims to protect the rights of children entrenched in the Constitution and provides for international instruments. The aim of the Bill is therefore to:

- Provide for a minimum age of criminal capacity of such children;
- Delineate the powers and responsibilities of members of the South African Police Service and probation officers in relation to such children Provide for the processes to be followed in the detention of such children and their release from detention.
- Incorporate diversion of cases away from formal court procedures as a central feature of the process Ensure that the assessment of children and preliminary inquiry are compulsory procedures in the new process.
- Extend the sentencing options available in respect of such children
- Entrench the notion of restorative justice and to establish appeal and review procedures; and
- Create monitoring mechanisms to ensure effective operation of this legislation, and to provide for matters incidental thereto.

1.5.3.2 Older Persons Bill

This Bill intends to replace the Aged Persons Act, 1967 and represents a new developmental approach to ageing and will maintain and promote the status of older persons. The Draft Bill was approved by Cabinet during July 2003.

Extension of the Child Support Grant to children up to 14 years of age.

During the 2002/03 financial year, Cabinet approved the extension of the means-tested Child Support Grant beyond the age of seven to poor children up to their fourteenth birthday. A phased approach in implementing this new policy shift was agreed whereby children under the age of nine-years qualified for this benefit in the 2003/04 financial year. Children under the age of 11-years will qualify in the 2004/05 financial year and children under the age of 14-years in the 2005/06 financial year.

1.5.3.5 Social Assistance Bill

The Bill intends to replace the Social Assistance Act, 1992 and envisages providing for the rendering of social assistance and social relief of distress to persons. The provisions of this Bill will be in line with the Minister of Social Development's 10-point plan to provide for the development of a comprehensive social security system.

The Bill was approved by the Portfolio Committee for Social Development during October 2003, and it is envisaged that the Bill will be finalized before 28 February 2004.

2. Programme Performance

2.1 Voted funds

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
	4,043,407	4,313,458	4,198,957	114,501
Responsible Minister	MEC R.N. Rasmeni			
Administering Dept.	North West Department of Social Development			
Accounting Officer	P.M.H. Morule			

2.2 Aim of the vote

To achieve sustainable social development through cohesive intervention programmes and partnerships.

2.3. Summary of programmes

Programme/Sub-Programme	Sub - Programmes
1. Administration	1.1. Office of the MEC 1.2. Corporate Management 1.3. District Management
2. Social Assistance Grants	2.1. Administration 2.2. Old Age 2.3. War Veterans 2.4. Disability 2.5. Grants –in –aid 2.6. Foster Care 2.7. Care Dependency 2.8. Child Support Grants 2.9. Relief of Distress

Programme/Sub-Programme	Sub - Programmes
3. Social Welfare Services	3.1. Administration 3.2. Treatment and Prevention of Substance Abuse 3.3. Care of the Older persons 3.4. Crime Prevention, Rehabilitation and victim Empowerment. 3.5. Services to the disabled 3.6. Child and Youth Care Protection
4. Development and Support Services	4.1. Administration 4.2. Youth Development 4.3. HIV/Aids 4.4. Poverty Alleviation 4.5. NPO and Welfare Organisation Development

2.4 Overview of the service delivery environment for 2004/05

The service delivery agenda for the department was centred on celebrating the ten years of democracy, acceleration of service delivery and developing the strategic focus for the next ten years. The strategic focus areas were:

- a) Concretising partnership with social development partners.
- b) Promote social dialogue to promote responsive policies and programmes.
- c) Mitigating the impact of hunger, poverty and HIV/AIDS.

The province is still characterized by lack of well-developed and vibrant civil society organizations. A great majority of the community and faith based organizations remains marginal and are not in the mainstream of service delivery. The development partnership with these partners is critical to promote participatory and sustainable development. To address this challenge the department facilitated the mobilization and consolidation of community based organizations into a functional provincial network.

The high prevalence of HIV/AIDS, which is estimated at +25%, rampant poverty and food insecurity still remain a dominant feature of the province. Children and rural communities are more vulnerable to the cumulative impact of these social conditions. The poor performance of gold in the international markets led to closure of mines and/or retrenchment of workers. This is adding numbers of poor mining towns. Workers from rural communities have to migrate back and increase the dependency ratio in poor rural households.

In response the Department was however able to finance community home based care programmes; provide material support in the form of food and school uniforms to infected households and vulnerable children. Four Drop In Centres were established to provide meals and social support to vulnerable individuals. More and bigger poverty projects were funded.

The province still remains largely rural with a legacy of infrastructure backlog, which is a constraining factor in accelerating service delivery. This lack of infrastructure and inaccessibility of villages due to poor roads serves as a disincentive to service providers and potential employees. This lack of infrastructure will have a negative bearing on implementation of community-based services.

The shortage of resources played a very important role in the followings areas:

- Shortage of manpower and skills to address the needs of the population;
- Shortage of funds to provide adequate training to staff members and members of communities to assist in the tasks as prescribed;
- Inaccessibility of service points due to lack of infrastructure, including roads, transport, funds by customers
- Lack of transport and other communication means to intervene and reach the communities instead of waiting for them to come to the service points;
- Ignorance by customers of support they are entitled to receive
- Non-availability or only sketchy data as to the demographic circumstances in respect of the different regions
- Re-alignment of municipal areas that implied adoption by the Department to provide service and support points;
- The concentration of support-giving institutions in mainly the urban areas and their mainly first world orientated approach to the prevailing problems;
- The basic exclusion of rural communities to participate in this process due to lack of involvement, skills and funds;

2.5 Overview of the organisational environment for 2004/05

An analysis of the Department was done to ascertain to what an extent capacity and capability are given to ensure proper provision of the services that have to be provided according to the Constitution and existing legislation. The current organizational structure was reviewed to align the department with its strategic focus and to develop a responsive capacity to given problems and challenges.

- The department lost 4 key employees being Director: Supply Chain Management, Director: Communication, Director: Strategic Planning and Monitoring and Director: Legal Services.
- Department continued to lose critical professionals such as Social Workers, State Accountants and Supply Chain Management Practitioners
- The Department successfully recruited Head of Department in November 2004.
- The lack of road-worthy pool vehicles affected operations of the department, as vast areas were supposed to be covered to effectively deliver services.

2.6 Strategic overview and key policy development for the 2004/05 financial year

Improving service delivery:

- (a) Social Security: Improvement of the existing system of social security
- Registration of eligible beneficiaries
 - Expansion of Child Support Grant to 9-11
 - Replacement of the SOCPEN system
 - National Agency for Social Security
 - Norms and Standards
 - Strengthening monitoring, evaluation and compliance auditing.

- (b) Transformation of other welfare services: Improve the quality and equity of service delivery, the capacity, and governance of the social service sector
 - Review of conditions of service of social service professionals
 - New funding policy for non-governmental organizations and community-based organization.
2. Implementation of the recommendation of the Ministerial Committee on Abuse, Neglect and Ill -treatment of Older Persons.
3. HIV/AIDS: mitigate the negative impact of HIV/AIDS and expanding the Home-based Care/Community-Based Care HIV/AIDS Programme.
4. Poverty Reduction and integrated development: reduce poverty through integrated sustainable development, by specifically prioritising the most vulnerable groups.
5. Social Services Infrastructure: Integration of services delivery between the different government Departments. Develop an infrastructure strategy.
6. Social Integration: Rebuild families and communities through policies and programmes empowering the young, old, disabled people, as well as women.

PROVINCIAL PRIORITIES

- Expanded Public Works Programme.
- Food Security and Primary Production Initiative.
- Skills Development.
- Economic Growth and Development
- Promoting Equal and Fair Access
- Poverty Alleviation and Employment
- Early Childhood Development

2.7 Departmental receipt

Departmental Revenue	Actual Collection 2003/04	Budgeted Collection 2004/05	Actual Collection 2004/05	% Deviation From Target
Current revenue				
Tax revenue				
Non-tax revenue	2173	627	1930	307%
Capital revenue				
(Specify)				
Departmental revenue	2173	627	1930	307%

Department Own Revenue	Actual Collection 2003/04	Budgeted Collection 2004/05	Actual Collection 2004/05	% Deviation From Target
Sales of goods & services other than capital assets	2,173	627	837	33%
Fines, penalties and forfeits			1093	

Specific challenges and Responses

Challenge 1

The department lack well-trained staff and modern equipment to increase revenue generation and collection. The equipment and machinery we have are old and need replacement. The purchase of new equipment and machinery will result in training for operators as well as training for revenue collection staff.

Response to challenge 1

Purchase new equipment and train machine operators as well as revenue collection staff.
Improve marketing strategies.

2.8. Departmental payments

Programme	Voted For 2004/05	Roll –overs & Adjustments	Virements	Total Voted	Actual Expenditure	Variance
Administration	79,032	907	(2,772)	77167	76253	914
Social Assistance Grants	3,763,230	261,447	1,079	4,025,756	3,937,073	88,683
Social Welfare Services	119,375	5,924	1,693	126,992	125,783	1,209
Development & Support Services	81,770	1,773		83,543	59,848	23,695
Total	4,043,407	270,051	0	4,313,458	4,198,957	114,501

Specific challenges and Responses

Challenge 1

Inadequate staffing in Social Welfare Programme, Development & Support, Supply Chain Management and Support Services.

Response to challenge 1

Scientific calculation of current staff against norms and standards.

An application was made to Provincial Treasury to correct the Department's budget deficit for personnel.

Challenge 2

Upgrading of Social Workers.

Retention strategy for Social Workers

Response to challenge 2

Upgrading of Social Workers salaries approved.

Broad based retention strategy being developed.

Challenge 3

Services not reaching the ultra poor due to lack of efficient decentralisation of services, lack of resources, poor infrastructure and pool vehicles.

Response to challenge 3

Submissions made to Department of Public Works and Department of Transport.

Challenge 4

Absence of Secure Care Centres, Places of Safety, Institutions for the Disabled, Drug rehabilitation centres and Institutions for the aged.

Response to challenge 4

Applications made to Treasury and approval received for the new MTEF Period for Secure care centres and Places of Safety.

Additional submissions made to Provincial Treasury for new MTEF Period.

Challenges 5

SASSA Establishment

Response to challenge 5

Provincial Task Team established

Issues requiring ongoing attention

- PMDS
- Filling of critical posts
- Electronic Registry
- SASSA Establishment
- Financing Policy & Service Delivery Model

2.9 Programme Performance

Programme 1 : Management and Administration

Plan, implement, coordinate, monitor and evaluate policies necessary for the achievement of the department's objectives and service delivery obligations.

Programme 2 : Social Assistance

Provide for the disbursement and administration of Social Assistance Act and the determination of grant trends.

Programme 3 : Social Welfare Services

Provides effective and quality services to the poor and vulnerable aimed At sustainable development and provide funding, guidance and support to NGO's and CBO's.

Programme 4 : Development and Support

Integrated social relief and poverty programmes targeting poverty Pockets

2.10 Service Delivery Achievement

Programme 1: Management and Administration

COMMUNICATIONS, MEDIA, AND INFORMATION MANAGEMENT

Description of Objectives and Performance Measures	Target Outputs	Actual Outputs 2004/5	% Deviation from Target
1. To improve corporate image of the department	Corporate Image plan document	Produced the corporate image plan for the department	0%
	Implemented Corporate image plan with Improved image (doorsigns, name tags for staff members and signage boards and diaries)	Implemented Corporate image plan with Improved image (doorsigns, name tags for staff members and signage boards, and diaries)	60%
2. To Promote development communication in the department	Communicators trained on development communication	Communicators trained on development communication	0%
	The ability for communicators to develop a development communication plan		
3.To market the department to attract social responsibility partners for social development	Development communication plan document	Development communication plan document	0%
	Appointed a Social Responsibility manager in the department.	Appointed a Social Responsibility manager in the department.	0%
4. To ensure effective management of events	Identified Social Responsibility partners in the province	Identify Social Responsibility partners in the province (a list of contacts available)	0%
	Established an events management committee	Established an events management committee	0%
	Calendar of events for the department	Calendar of events for the department	0%
	Strategic Advertising plan	Strategic Advertising plan	0%
	Logistics requirements and audience profile based on literacy and language barriers	Logistics requirements and audience profile based on literacy and language barriers	0%

Description of Objectives and Performance Measures	Target Outputs	Actual Outputs 2004/5	% Deviation from Target
5. To ensure effective media relations management.	Good media relations with journalists from all media institutions	Established good relations with existing journalists and formed new ones with others from both local and national media We are also subscribing to SAPA to improve media coverage	0%
	Database of Journalists who cover departmental services	Established database of journalists who cover departmental services	0%
	Database of correspondents and stringers who cover departmental services	Database of correspondents and stringers who cover departmental services	0%
6.To provide IT support services	Repaired all malfunctioning IT equipment.	Repaired all malfunctioning IT equipment.	0%
	Functioning Operational system for recording users problems (Remedy system)	Functioning Operational system for recording users problems (Remedy system)	0%
	All users in the department accessing email and internet	Approximately 80% of the users at the service points accessing email and internet	20 % deviation, due to lack of capacity in the IT division and budgetary constraints.
	IT policy in place for purposes of providing information security mechanisms	IT policy in place for purposes of providing information security mechanisms	0%
	Centralised data warehouse and disaster recovery plan	Centralised data warehouse and disaster recovery plan not in place	Lack of Capacity in the IT division and budget

LEGAL SERVICES

Description of Objectives and Performance Measures	Target Outputs	Actual Outputs 2004/5	% Deviation from Target
1. Responding promptly to letters of demand, notices of motion and summons in order to minimise litigation against the Department	Minimise litigation against Department	Letters of confirmations of receipt are sent within one (1) day of receipt of demand letters. Notices of motion are responded to by way investigations and instructions to the State Attorneys	0%
2. Provide quality legal advice to directorates	Timeous quality advice	Opinions and legal advice are provided regularly on the basis of written or verbal requests	0%
3. Monitor compliance with legislative mandates on quarterly basis in order to comply with legislative mandates.	Compliance with legislative mandates	Monitoring will be enhanced as mechanism build in various legislation become available. For example PAJA and OHSA have not been fully complied with.	0%
4. Provide legally sound advice to MEC and HOD 5. Review and / or draft MOU's submitted to the office	Legally sound decisions	Legal advice is provided by way of written reports to the DDG / MEC. These are provided on a regular basis as and when requested.	0%
5. Review / and or draft MOU's submitted to the office	Legally sound contracts, MOU's and other agreements	A total of MOU's have been submitted in the year under review. No new currently under consideration.	20%
6. Review and draft acts and / or regulations in respect of state supported institutions	Enactment and promulgation of act and regulations relating to state supported institutions	The directorate participated in the National Project Committee currently drafting the new Regulatory under the Social Assistance Act of 2004. These regulations should be published before December 2005. The Directorate is also drafting operational guidelines for state funded institution, putting them on course for legislative compliance. All obsolete legislation passed by the former Bophuthatswana, relating to Social Assistance has been repeated as a direct initiative of this directorate.	0%

Description of Objectives and Performance Measures	Target Outputs	Actual Outputs 2004/5	% Deviation from Target
7. Identify competency levels of staff members and take corrective measures in conjunction with HRD	Highly skilled, competent and professional staff.	A process is currently underway to audit skills and competency levels. Training needs have also been identified HRD has been approached to provide skills based training in considering with the relevant SETA	50%

POLICY PLANNING AND RESEARCH

Description of Objectives and Performance Measures	Target Outputs 2005/5	Actual Outputs 2004/5	% Deviation from Target
1. Ensure alignment of departmental policies to provincial and national policies	Revised Policies	All policies from former SSACS department were revised and still relevant and only one policy was amended	0%
	New Policies formulated	Gaps for necessary policies were identified and 2 policies were developed and approved and 5 others are still drafts	60%
2. Ensure structured implementation of policies	Improved Service Delivery	Only first quarter reviews were held to determine the extent to which departmental priorities are being implemented An annual review was also held that indicated an improvement in departmental service delivery efforts	75%
	Uniform policies	A flexible, but standard policy format was developed for the outlook of our internal policies and all policies and drafts are common in terms of content and character	0%
3. Build Research Capacity within the Department	50 Officials trained on data capturing	20 Officials trained on data capturing	60%

Description of Objectives and Performance Measures	Target Outputs 2005/5	Actual Outputs 2004/5	% Deviation from Target
4. To promote awareness and Implementation of Provincial and National policies	Strategy for awareness campaign	A survey was undertaken to determine the extent to which employees understood departmental and broader public service policies to inform the development of the strategy. The strategy is still in the pipeline.	50%
	Policy Awareness	The campaign has not been kick-started yet.	100%
5. Ensure properly coordinated departmental structures and proper reporting	Well coordinated meetings	All DMC and DEC meetings has been successfully coordinated.	0%
	Implemented decisions	Checklist on the implementation of decisions taken at DMC, continuously monitored.	

FINANCIAL ADMINISTRATION

Description of Objectives and Performance Measures	Target Outputs 2005/5	Actual Outputs 2004/5	% Deviation from Target
Prepare accurate financial statements and quarterly reports	Annual Financial Statements fairly present operations of the Department	Except for lack of financial details of the beneficiaries' spouse for Social Assistance Grants, the financial statements fairly present financial position of the Department.	2.63%
Provide equity based budgets	Equitable allocation of resources	More resources allocated to service delivery programmes based on reliable baseline information.	20%
		Cash flow requirements of programmes were met timeously.	15%
		Departmental programmes were aligned to sector-specific norms and standards except for the Population Unit	20%

Description of Objectives and Performance Measures	Target Outputs 2005/5	Actual Outputs 2004/5	% Deviation from Target
Ensure effective internal controls	Conduct and evaluate risk assessment	Department conducted risk assessment	-
	Implement and monitor Fraud Prevention Strategy	Department developed Fraud Prevention Strategy. Implementation to be effected in the new financial year	50%
	Facilitate audit queries' responses between management and auditors	Reduced formal audit queries	5%

PROCUREMENT AND ASSET MANAGEMENT

Description of Objectives and Performance Measures	Target Outputs 2005/5	Actual Outputs 2004/5	% Deviation from Target
Effective Demand Management	Planned purchases that evenly spreads expenditure over the financial year and prevents carrying over the financial year.	-	100%
Effective Acquisition Management	Improved ability to comply with procurement procedures	85%	15%
Effective Logistics Management	Effective control measures in delivery and distribution of assets and consumables	40%	60%
Effective Disposal Management	More realistic asset register	90%	10%
Ensure training and capacity building within and outside occupational class	Skilled practitioners, informed users, and compliance with applicable prescripts	85%	15%
Ensure goods and services are primarily procured through BEE companies and SMME's	Targets is to achieve over 40% of the entire Department's procurement through BEE'S and SMME's	50%	50%

SUPPORT SERVICES

Description of Objectives and Performance Measures	Target Outputs 2005/5	Actual Outputs 2004/5	% Deviation from Target
Pro-actively negotiate for additional accommodation	Sufficient and well maintained accommodation	The department managed to enter into 11 new lease agreements in this financial year	45%
Provision of efficient and effective transport and auxiliary services	Effective and reliable transport and training of staff in auxiliary services	-During this financial year the department did not have a budget for the procurement of pool vehicles. The department managed to receive 123 applications for subsidised vehicles and approved and delivered 108 and 15 were disapproved. - two officials attended training in project in fleet management - one official attended a course in office management and a personal assistant course	100%
Provision of records management and telecommunication system	Establishment of EDMS and telephone system	Conducted analysis for EDMS System. Engaged Telkom with specification for new system	95%

PROGRAMME 2 : Social Assistance

Programme Description:

To provide for the disbursement and administration of Social Assistance grants in terms of Social Assistance Act, 1992 and determination of grants.

Measurable Objectives:

Timeous, accurate and valid payment at the right pay points to the following number of beneficiaries

SOCIAL ASSISTANCE GRANTS

Administration

Description of Objectives and Performance Measures	Actual Outputs 2003/4	Target Outputs 2004/5	Actual Outputs 2004/5	% Deviation from Target
Old Age	180 121	186 429	183 452	1.59
War vet	138	117	125	
Foster Care	13 793	20 687	17 843	13.75
Disability	101 693	117 670	98 286	16.47
Care dependency	6 513	9 627	7 625	20.79
Child Support G.	367 259	534 099	476 090	10.86
Social Relief of distress		963	737	24.5
To professionalise Social Security as career through capacity building		40	<ul style="list-style-type: none"> 54 officials enrolled for certificate course in Social Security and 51 obtained a pass. 	0%
		60	<ul style="list-style-type: none"> 38 officials enrolled for diploma course in Social Security & labour law 26 obtained a pass. 15 officials enrolled for Post Graduate Diploma course in Social Security 11 obtained a pass. 	12%

Description of Objectives and Performance Measures	Actual Outputs 2003/4	Target Outputs 2004/5	Actual Outputs 2004/5	% Deviation from Target
To strengthen and regulate partnership with existing and new service providers and community structures		Customer care refresher course training to 120 officials	<p>1. 120 officials trained on Post Office service level agreements.</p> <p>95 officials were trained on CPS service level agreements.</p>	0%
		Quarterly assessment of service delivered by service providers and community structures	<p>2. Monthly meetings were held with Post Office and CPS to improve service delivery.</p> <p>Four Officials identified to coordinate monitoring compliance in 4 districts.</p> <p>Compliance monitored at 213 CPS pay points in four districts and 16 Post office pay points.</p> <p>3. A tender awarded amounting to R11.6 million.</p> <p>Monthly meetings were held with Ditirelo service provider to improve service delivery. Fraud awareness campaigns were held in Tlaskgameng, Huhudi, Klerksdorp and Hebron.</p> <p>8 975 beneficiaries registered for amnesty and indemnity.</p>	0%
To develop and ensure implementations of risk management strategy		6 service points	Fraud awareness	33%

Challenge 1

Low CSG 9-10 take up rate

Remote areas, personnel, capital resources and farm workers are difficult to reach to can register for child support Grant

Response to challenge 1

Appointment of Provincial cum District Coordinators and contract workers to penetrate remote and farm areas will improve access to qualifying children

Challenge 2

Implement Operation Dignity

Buildings and sites must be erected and existing ones be refurbished

Response 2

Provision of tents, chairs and sanitation will continue as a short term measure to address the challenge. In the meantime, medium and long-term renovations (Ditlhabololo) and building (Dikago) projects will be done/erected upon availability of budget.

Challenge 3

Life Certificates for beneficiary through Banks

Life certificates were sent out to communities during December 2004, envisaged to be finalised during end of March 2005. Due to low response rate by targeted groups, target dates could not be reached resulting in extension to end of June 2005.

Response 3

Life certificate process will be intensified through electronic media, imbizos as well as registration campaign

Challenge 4

Dual payment through fraudulent activities

Double dipping, beneficiaries detected from Persal, GEPI and other foreign systems (8975) as at 31st March 2005 cut-off date.

Following the National Ministry's call for cleansing of database in 2004 and the subsequent series of izimbizos by Social Development MEC the exercise proved fruitful as reflected by statistical figure. The process of indemnity however, was surrounded by a number of logistical factors such as: lack of clear policy guidelines, shortage of manpower or capacity at both Provincial and Service point level resulting in number of applications being closed outside cut off date.

Response 4

Possible remedial factors will be to review the strategy and consider extending the cut-off date to September 2005. The process of appointing of the review or assessment committee to assess and analyse the applications is also imperative. An appropriate action towards the defaulters is also crucial and that should take by end of September 2005.

Challenge 5

Rapid increase in Disability grants applications

Due to the “abnormal” and rapid increase in both temporary and permanent disability grants, consultants PriceWaterhouseCoopers were appointed to advise on the root cause of the challenge and remedial/corrective measures to be applied.

Response 5

There is a need for a common understanding of “disability” by Assessment Panellists, training in terms of the is also critical. Availability of medical doctors in both Assessment and Appeal panels would correct the situation

Issues requiring on going attention

- Establishment of SASSA
- Anti-fraud Campaign
- Increase numbers of Child Support Grant beneficiaries
- Monitor disability grants

Programme 3: SOCIAL WELFARE SERVICES

3.1. TREATMENT AND PREVENTION OF SUBSTANCE ABUSE

Measurable Objectives	Performance Measure	Actual Output 2003/4	Target Output	Actual Outputs	% Deviation from Target
1.To conduct prevention programmes.	Number of awareness programmes		60 000 campaigns conducted in	Estimated 64 732 target reached	–
2.To orientate government officials and partners on legislative framework	50 service providers		50	240	–
3. To facilitate the establishment of Local Drug Action Committee	5 local drug action committees established		5	7	–
4.To facilitate the establishment of Tada Groups	22		22	30 Tada Groups established	–
5. To strengthen capacity of existing Tada groups.	22	22	22	22 Tada Groups strengthened	–
6. To facilitate the establishment of support groups.	22 support groups established		22	12	45.45%
7. To develop and update data base on substance abuse services	Documented database on substance abuse services in place		Documented database	Directory on substance abuse services is in place	–
8. Participate in development and implementation of national strategy.	Participated in quarterly National strategy meetings		Participate in quarterly National strategy meetings.	100% participation	–
9.Monitor the performance of 25 service points	4 quarterly reports and 1 annual report.		4 quarterly reports	4 quarterly reports	–
10.Workshop partners on the development of norms & standards for inpatient treatment centres.	1 treatment centre compliant with norms and standards.		1	1	–
11.To develop and implement monitoring systems	1 treatment centre compliant with policies and legislation		1	1	–

3.2 CARE OF THE AGED

Performance Objective	Performance Measure	Target Output 2003/4	Actual Outputs 2004/5	% Deviation from Target
1. To strengthen support of the three existing cooperatives	3 cooperatives capacitated	3 cooperatives	Funding and strengthening of cooperatives is now a competence of Development and Support Directorate`	-
2. To develop and implement operation dignity programmes in 22 service point	22 Service Points reached	22 Service Points	<p>250 granny headed-households were targeted during the aged week.</p> <p>Counseling was provided to the target group.</p> <p>Referrals systems were set in place.</p> <p>Material assistance was also provided to eligible beneficiaries.</p> <p>Assistive devices (wheel chairs) were issued to 90 frail older persons</p>	0%
3. To strengthen 5 Service Clubs through capacity enhancement	5 service clubs for older persons trained.	5 service clubs	Guidelines for service clubs were finalized. Training on service clubs guidelines was conducted for 7 service clubs in Bophirima District	0%
4. Train and educate 5 service clubs on home based care	5 Service clubs trained	5 service clubs	<p>Guidelines for home based care services were finalized. 12 service clubs capacitated on home based care.</p> <p>37 older persons were linked to existing home-based care services.</p>	0%
5. To orientate 50 government officials, CBOs and NGO's on legislative framework	50 government, NGO and CBO personnel trained.	50 personnel	<p>A manual has been developed and organizations identified.</p> <p>Training on legislative framework was conducted in 4 districts</p>	0%

Performance Objective	Performance Measure	Target Output 2003/4	Actual Outputs 2004/5	% Deviation from Target
6. To develop and monitor database on service	Reliable and effective Database in place	Reliable and effective Database	An audit of existing services was conducted and a resource directory was developed.	0%
7. To develop and implement proper monitoring system for 5 residential facilities	5 residential facilities compliant with policies and legislation	5 facilities compliant	The national department is developing policy on frail care services.	0%
8. To develop and implement abuse protocol in 22 service point	Protocol in place	Provincial office 25 service points	Abuse protocol register developed.	0%
	25 service points implementing the protocol.		Implementation of protocol register in 25 service points and 29 residential facilities.	100%
9. Develop and implement programmes at 4 pension pay points	Programmes at 4 pay points	4 pay points	Guidelines on programmes that can be implemented at pay points were developed	100%
10. To restructure the Provincial task team on Older Persons	Restructured Provincial task team	Provincial task team	Consultations with relevant government departments were done	100%
11. Participate in public hearings for inputs of Older Persons Bill	Public hearings in all districts held.	Hearings in 4 districts	8 public hearings in 4 districts were conducted	0%
12. To participate in the development and monitoring of national strategy	Alignment with national priorities and prescripts	All programmes aligned	All programmes are aligned with national strategies and priorities	0%
13. Monitor performance of service points	Compliance with Provincial priorities.	25 service points	Quarterly reports by service points. Visits to service points. Bi-monthly meetings Tele-conference	0%

3.3. Crime Prevention, Rehabilitation and Victim Empowerment: Probation Services

Performance Objective	Performance Measure	Target Output 2003/4	Actual Outputs 2004/5	% Deviation from Target
1. To conduct awareness campaigns	Number of awareness campaigns	2 provincial events	One	50%
2. To roll out reception, assessment referral centres	Number of reception , assessment referral centres established	4 reception, assessment referral centres	Two	50%
3. To expand diversion programmes to other districts	Number of diversion programmes	4 diversion programmes established	None	100%
4. To provide alternative placement for children in conflict with the law	Number of secure care facilities	One secure care centre in Bophirima	None	100%
	Number of home based supervision programmes	4 home based supervision programmes	8 home based supervision programme	-50%
5. To provide capacity building to service providers	Number of personnel trained	30 service providers	60 service providers	-50%
6. Facilitate the implementation of integrated computerised information	IT tracking system for children awaiting trial	8 areas linked with SAPS stations	None	100%
7. Finalize draft guidelines on probation services	Probation guidelines in place	10% probation services in compliance	None	100%
8. To monitor & evaluate impact on service delivery of service points	8 service points in compliance	8 service points	None	100%
Promote developmental programmes for children in conflict with the law	No of children to whom Probation Services has been rendered	4 360	3 876	11%
To facilitate marketing and advocacy programmes for offenders	Number of children involved in Social and Crime prevention programmes	12 6402	14 319	

Performance Objective	Performance Measure	Target Output 2003/4	Actual Outputs 2004/5	% Deviation from Target
Promote developmental programmes for children in conflict with the law	Number of children involved in diversion programmes	640	2 323	

3.4. Services to the Disabled

Performance Objective	Performance Measure	Target Output 2003/4	Actual Outputs 2004/5	% Deviation from Target
1. To develop and implement guidelines for protective workshops of People with Disabilities	1 facility compliant with guidelines	1	1	-
2. To up date and monitor a data base on services	Reliable and effective Database in place	Reliable and effective Database	A provincial data base developed and updated.	-
3. Finalization of research report.	Base line information on disability	1 research report	1 research report finalised	-
4. Participate in the development and monitoring of national strategy.	Alignment with national prescripts and priorities.	Participate in all development and monitoring strategies	Participated in the development and monitoring of national strategy	-
5. To monitor performance of service points	4 quarterly reports 1 annual report	4 quarterly reports	4 quarterly reports	-
6. To link 150 children to safety nets.	150 children linked with safety nets	150 Children 19 support groups	225 children reached	50%
7. To facilitate establishment of 19 support groups for parents of children with disabilities	19 parent support groups in place.	5 DPOs	38 support groups established	100%
8. To capacitate DPOs(Disabled People's Organisation) on HIV and AIDS.	5 DPOs capacitated as agents on HIV/AIDS and Disability	5 DPOs	5 DPOs	-

Performance Objective	Performance Measure	Target Output 2003/4	Actual Outputs 2004/5	% Deviation from Target
9. To capacitate Disabled People's Organization on life skills.	To capacitate Disabled People's Organizations (DPOs) on life skills.	25	5 DPOs capacitated	-
10. To orientate Government Officials, CBOs and NGOs on legislative framework	25 people trained on legislation	4	30	125%
11. To capacitate 4 centres for PWDs	Number of centres capacitated	25	5	20%
12. Capacitate officials on sign language.	25 people trained		23	8%

3.5 Child & Family

Performance Objective	Target Output 2003/4	Actual Outputs 2004/5	% Deviation from Target
1. Monitor and facilitate care and protection services in line with legislation.	10% of 1000	16600	-
2. Functions of the Child Care Act decentralization to Service Points	4	18	-
3. Minimum standards to improve implementation of Child Care Act developed	Minimum Standard	Minimum Standard in place	-
4. Facilitate establishment of registers in line with Child Care Act	4	25	-
5. Review guidelines for Private Place of Safety	Practical guidelines in place in 4 service points	Guidelines implemented in 25 Service Point	-
6. Develop and implement advocacy on children's rights	1 Provincial and 2 local advocacy programmes	1 Provincial and 25 local advocacy programmes	-
7. Facilitate implementation of electronic and manual child protection register (CPR).	4	1	75%
8. Train official on Child Protection Register	10	20	-
9. Marketing of child Protection Register	1	4	-
10. Develop norms and standards for ECD services	Norms and standards in place	Norms and standards in place	-

Challenge 1

High vacancy levels of Social Workers and ancillary staff.

Response 1

Submission made to Provincial Treasury to fill vacant posts.

Challenge 2

The Department does not cover all areas in the Province.

Response 2

Department is aligning services in terms of municipalities as well as implementation of the norms and standards as set out in the Service Delivery Model.

Programme 4: DEVELOPMENT AND SUPPORT

Programme Objective: To contribute toward an enabling environment in which communities can be mobilised to participate in social development processes

Description of Objective and Performance measure	Actual Outputs 2003/04	Target outputs 2004/05	Actual outputs 2004/05	% Deviation from Target
Fund and monitor integrated youth development programmes	7	8	6	25%
Number of clients affected and infected with HIV/Aids Counseled/received services	1 100	1 800	2 389	-
Number of community home based care programmes funded (HIV/AIDS)	23	20	22	-
Implement education and awareness programmes	12	20	22	-
Link CHBC programmes	-	4 ARV sites	4 ARV sites	-
Celebrate International Aids Day	-	1 provincial event	25 local events	-
Number of HIV/AIDS infected households who received material support parcels	400	644	1 397	
Establish coordinating structures	10	15	25	
Establish drop in centers	-	2	4	
Number of poverty projects rendered	5	8	15	
Establish cooperatives for the elderly	-	2	3	
Distribute food supplements	-	3 699	-	100%
Number of households who received food parcels	72 000	39 765	72 000	
Launch of Poverty Projects	2	4	12	
Facilitate development and strengthening of the CBO Network	1 Provincial Office	1 provincial Office	Functional Provincial Office 4 District Committees 24 local committees	

Description of Objective and Performance measure	Actual Outputs 2003/04	Target outputs 2004/05	Actual outputs 2004/05	% Deviation from Target
Launch the Network	-	Provincial Launch	Provincial Launch	
Organize and host Community Builders of the Year event	Provincial Event	Provincial Event	Provincial Event	
Develop Network for the Disability Sector	-	Interim Provincial Committee	-	
Train staff and partners on programme management guidelines	-	23 service points 100% of funded projects	23 service points 100% of funded projects	
Number of organizations trained	150	150	166	

Challenge 1:

The deviation from meeting the said targets for programme financing for youth and poverty projects can be explained by three factors namely: staff shortage, lack of business planning and inability of projects to comply with funding requirements and late advertisement of the national tenders for food parcels.

First, the gross lack of staff at service points compromised the ability of the department to accelerate service delivery. Community Liaison Officers play a significant role in mobilization, supporting and monitoring the funded projects. Funding projects without the capacity to support and monitor them influenced decisions on transfer payments. This would have exposed the department to unnecessary risks

Second, business-planning capacity is still lacking both from field staff and community organizations. This resulted in late submission and poor quality business plans. Most submitted business proposals had to be re-engineered to ensure feasibility, viability and sustainability. In other instances projects recommended for funding were not registered thus disqualified.

Last, the uncertainty as to continuity and nature of the National Food Emergency Scheme (NFES) resulted in the late advertisement of the national tender. Awarding of tenders was completed in February 2005. Only one service provider, of the required two, was appointed. The Department had to re-schedule the delivery of outstanding food parcels and vitamin supplements for the 2005/06 financial year

2.11 Transfer payments

A. Services rendered by institutions:

Treatment and substance abuse institutions:

Provide preventative, rehabilitative and developmental programmes aimed at reducing the incidence of substance abuse.

Care of Aged Institutions:

Provide comprehensive services that promote social protection, care, support and dignity of older persons.

Crime prevention, rehabilitation and victim empowerment:

These provide programmes, services and facilities for children in conflict with the law, interventions, rehabilitation and prevention of the effects of crime.

Services to the disabled institutions:

Provide developmental services aimed at promoting equal opportunities, enhancing independence and integration in to the mainstream of society.

Child Youth Care and Protection Institutions:

These are mainly Early Childhood Development centres for children between 1-5 years.

Youth Development NGO's:

Transfer payments to youth organisations that provide services such as life skill programmes and social development oriented services related to capacity building in support of youth advancement.

HIV/Aids NGO's:

Provide welfare counselling and support services to people infected and affected by HIV/Aids.

B. SUMMARY OF TRANSFERS

Type of Institution	Amount transferred
Treatment and substance abuse Institutions	R1 823 000
Care of Aged Institutions	R14 629 000
Crime, prevention, Rehabilitation and victim empowerment	R1 683 000
Service to the disabled	R2 038 000
Child Youth Care and Protection Institutions	R17 188 000
Youth Development	R4 380 000
HIV/AIDS	R8 283 000

C. Spending Patterns

The Audited AFS of the institutions differ in terms of periods. The actual spending patterns will then be reliable. These will be included in the Annual Report for year ending 2007/08.

D. Monitoring systems

The Department struggle to adequately monitor transfers on a monthly basis due to an acute shortage of staff and other resources such as pool vehicles.

E. Compliance with section 38(1)(j)

The Department has complied with section 38(1)(j) which requires the accounting officer to obtain written assurance from an entity that the entity implements effective, efficient and transparent financial management and internal controls or if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control systems.

2.12 Conditional Grants

(a) Overview

The Department received conditional grants from National Department of Social Development. The grants related to Child Support Grant Extension, National Food Emergency Scheme(NFES) Grant and the HIV/Aids Conditional Grant.

Summary of Conditional Grants for 2004/05

Conditional Grants	Total Allocation	Total transfer
Total	479,767	370,970

(b) Reporting on grants per name

Names of Grant

Province	Total Allocation	Total transfer
Child Support Extension	428,407	341,119
HIV/AIDS	8,693	8,539
Food Relief (NFES)	42,667	21,312
Total	479,767	370,970

(c) Release of the grant

- (a) Release of HIV/AIDS conditional grant was delayed and the applied formula for trench payment comprised the planning and spending capacity of the department. Target was however achieved in terms of funding Community Based Care Programme. The Department was unable to employ the 25 contract workers due to delay in recruitment processes and candidates falling to meet set requirements.
- (b) A total of 72 000 food parcels were delivered to conclude the last phase for 2003/04. Three Drop In Centres were funded. The remaining food parcels could not be delivered due to late advertisement of the national tender for procurement of food parcels. The programme also lost two contract assistant managers. These posts remain vacant as they could not be filled until finalization of the re-design of the programme.
- (c) The Department has applied for the roll over for Food Security Grant. The programme will be completed and phased out this financial year 2005/06. This programme will be substituted by the new Integrated Social Development Service Grant. The department has applied for a roll-over for the Child Support Grant Extension and this was approved.

(d) Retention by transferring department

The National Department did not retain any portion of the grant. The administrative costs of the grants related to personnel, travelling expenses, communication, stationery, professional fees etc.

(e) Spending trends

HIV/Aids was spend according to the trenches allocated by the National Department which was in three phases. The CSG Extension expenditure started slowly in the first two quarters of the financial year and increased rapidly in the last quarter. The NFES was not spend as the National Department awarded the tender in February 2005.

(f) Achievements

Expenditure on the HIV/Aids was 98%. For the NFES no expenditure for the current year allocation was realised, only the prior year last trench was spend in the year under review. The CSG Extension spend 79.6%

(g) Compliance with DORA

The Department complied with the DORA

2.13 Capital Investment, maintenance, and asset management plan**Capital Investment**

- (a) There were no building projects that were started or completed.
- (b) No facilities will be closed down or down graded
- (c) The Department has a maintenance backlog on old age homes and protective workshops
- (d) The Department has budgeted R30 million for secure centers and places of safety and R1 million for maintenance for the new financial year.

Asset Management

- (a) The Department has acquired new assets such as computers, furniture, etc to the value of R12 994 000. No assets were disposed or scrapped.

- (b) The Asset register has been updated with the acquisition of new assets
- (c) Except for vehicles which are 85% in bad condition, 70% the Department assets are in good stock.
- (d) No major maintenance projects were undertaken during the year.
- (e) No facilities have been closed down or down graded.
- (f) Maintenance of old age homes and protective workshops.
- (g) No tendering of projects for the year under review.

Maintenance

- (a) The Department has made an analysis of the maintenance backlog, which has grown bigger. Provision has been made for the new financial year to address the backlog.

3. Audit Reports

3.1 Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2005.

Audit Committee Members and Attendances

NAME	ROLE	SCHEDULED MEETINGS HELD	ATTENDED
Mr J van Rooyen	Chairperson	5	4
Prof S Visser	Member	5	5
Prof A Boothia	Member	5	5
Mr R Moyo	Member	5	4
Ms M Mokuena	Member	5	4
Mr BMM Madliwa	Auditor General - NW Ex-officio member	5	3
Mr P Tjie	SG-Dept of Finance & Economic Development Ex-officio member	5	1

Audit Committee Responsibility

The Audit Committee is pleased to report that it is properly constituted as required by section 77 of the PFMA and has complied with its responsibilities arising from section 38(1)(a) of the PFMA and paragraph 3.1.13 of the Treasury Regulations. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter which is reviewed annually, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

For the Committee to competently discharge its responsibilities, the Committee is supported by the Provincial Internal Audit which is under its control and direction. The Committee reports that the Provincial Internal Audit, whilst having been under-resourced, continues to enhance its resources so as to adequately discharge its responsibilities in terms of the Internal Audit Charter approved by the Audit Committee.

The effectiveness of internal control

The system of internal controls remains inadequate and ineffective as compliance with prescribed policies and procedures is lacking. During the year under review, instances of non-compliance that resulted from a breakdown in the functioning of controls were highlighted by internal and external Auditors. Significant control weaknesses have also been reported by the Auditor-General. The weaknesses reported previously have not been satisfactorily addressed by the Accounting Officer.

The Committee is not entirely satisfied that adequate mechanisms are being put in place to address these weaknesses. The Committee continues to monitor progress by the Department in addressing the weaknesses reported.

The quality of in year management and monthly / quarterly reports submitted in terms of the Act and the Division of Revenue Act

The Committee is unable to comment on the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year as it did not review such reports.

The Committee is however, satisfied that the in-year management reports were duly prepared and submitted to the Provincial Treasury.

Evaluation of Financial Statements**The Audit Committee has**

- reviewed and discussed with the Auditor-General the audited annual financial statements to be included in the annual report;
- reviewed the Auditor-General's management letter and management response;
- reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and recommends that the audited annual financial statements be approved.

Date: 12 August 2005



Chairperson of the Audit Committee

**REPORT OF THE AUDITOR-GENERAL TO THE MEMBERS OF
THE NORTH WEST PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS
OF VOTE 12 – DEPARTMENT OF SOCIAL DEVELOPMENT
FOR THE YEAR ENDED 31 MARCH 2005**

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 48 to 86, for the year ended 31 March 2005, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

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

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

The audit was completed in accordance with Auditor-General Directive No. 1 of 2005.

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

3. QUALIFICATION

3.1. Social security

For 11 files audited there were no financial details of the beneficiaries' spouse. For a further 40 files there was no proof of financial details of the beneficiary. The department's records did not permit the performance of adequate alternative auditing procedures. I was therefore not able to determine whether the beneficiaries complied with the means test and whether grants paid amounting to R110,5 million, when extrapolated, were valid.

4. QUALIFIED AUDIT OPINION

In my opinion, except for the effect on the financial statements of the matters referred to in paragraph 3, the financial statements fairly present, in all material respects, the financial position of the Department of Social Development at 31 March 2005 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice.

5. EMPHASIS OF MATTER

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

5.1. Life certificates

The department did not comply with the Social Assistance Act, 1992 (Act No. 59 of 1992). The act provides that in cases where the beneficiary receives his or her grant through a bank, administrator or procurator, life certificates must be submitted annually by beneficiaries to prove that the person is still alive. Life certificates for approximately 38 000 beneficiaries were not obtained.

5.2. Assets

The fixed asset register did not correctly disclose the location of the assets of the department. It was therefore not possible to verify that all the assets in the asset register exist.

5.3. Restatement of financial statements

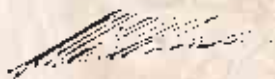
The department made material adjustments to the original financial statements submitted for audit on 31 May 2005. The restated financial statements were signed and submitted on 3 August 2005.

5.4. Vacancy rates

The department experienced significant capacity problems throughout the year. The vacancy rate of the Finance Management directorate is 48 per cent, Support Services 42,9 percent and that of social workers 38,7 percent. This has a negative effect on the department's ability to comply with their internal procedures, policies and record keeping, as highlighted above.

6. APPRECIATION

The assistance rendered by the staff of the Department of Social Development during the audit is sincerely appreciated.



BMM Madliwa
for Auditor-General

Rustenburg
18 August 2005

(North West – Department of Social Development) – VOTE 12

REPORT BY THE ACCOUNTING OFFICER

for the year ended 31 March 2005

TO THE EXECUTIVE AUTHORITY AND PARLIAMENT/PROVINCIAL LEGISLATURE
OF THE REPUBLIC OF SOUTH AFRICA

1. General review of the state of financial affairs

• Important policy decisions and strategic issues facing the department

1. The Department is preparing for the eventual hand-over of the Social Assistance Grants administration, which is for the 2004/05 a conditional grant, to the South Africa Social Security Agency which will be fully operational from 1 April 2006. This process involves the ring-fencing of assets and liabilities, personnel and other resources that have been attached provision of Social Assistance in the Province.
2. The costing of the Older Persons Bill and Children's Bill.
3. The Child Support Grant has been extended 14 years for the new financial year.
4. Building of Secure Care Centres in line the Child Justice Bill commences in the 2005/06 MTEF Period.
5. Implementation of the Social Development Service Delivery Model and Financial Policy Awards.
6. Department's contribution to the Extended Public Works Programme.

• Comment on significant events that have taken place during the year

1. Appointment of Head of Department in November 2004.
2. The split of former Social Services, Arts, Culture and Sport into Social Development and Sport, Arts and Culture.
3. Re-alignment and Approval of the Social Development Departmental Structure in line with National Social Development model.

• Comment on major projects undertaken or completed during the year

1. Investigations into the Social Assistance Grants.
2. Launching of the Social Assistance Anti-Corruption and Fraud Campaign.
3. Extension of the Social Assistance Child Support Grants for 9-11 year olds.
4. Adopt-a granny campaign in line Care for the Aged.

• Spending trends

- Reasons for under/over spending.
Under-expenditure realised on Child Support Grant Extension and NFES as a result of late registration slow and intake of new applicants and the late of award of food parcels tender by National respectively.
- Discuss the impact on programmes and service delivery
Uncertainty on the recipients of food parcels due to the delay in awarding the tender. The late registration of CSG Extension Grant has an impact on the budget for the new financial year.
- Actions taken or planned to avoid recurrence.
The Department has applied for the roll-over to ensure that intended recipients receive our services.

2. Capacity constraints

1. Inadequate Personnel Budget allocation made it impossible to appoint sufficient competent and skilled staff in core delivery programmes thereby hampering service delivery.
2. High staff turnover by Social Workers due to disparities in the remuneration packages across the country.
3. Lack of adequate pool vehicles and un-roadworthy pool vehicles.
4. Lack of sufficient office accommodation in some service points.

3. Organisations to whom transfer payments have been made

List all entities to which transfer payments have been made in accordance with the approved transfers in the relevant Appropriation Act. (see annexure 1)

Categorised into the following services:

- Early childhood development (ECD's - creches 0-6, children homes)
- HIV/AIDS support centres – home based care facilities and drop-in-centres
- Youth development programmes – CBO's
- Old welfare organisation – old age institutions and service clubs
- Poverty relief programmes – non profit organisations
- Crime prevention programmes – NICRO, SANPARK and other diversion programmes.

Full details captured in the Annual Report

4. Corporate governance arrangements

Brief description of the risk management approach; fraud prevention policies; effectiveness of internal audit and audit committee; and other governance structures, including management processes to minimise conflict of interest, implementation of a code of conduct, and safety, health and environment issues facing the organisation.

- The department conducted a risk assessment and finalised the fraud prevention plan.
- The following committees are existent in the department: DPC/Bid committee (members were trained on), fraud prevention committee, budget committee
- The department participate in sector specific activities like, the CFO forum both nationally and provincially plus the HSD(Heads of Social Development)
- Adequate segregation of duties between Accounts, Budgets, Internal Control, Supply Chain, Personnel and Payroll
- Financial procedure manual developed and adopted by the departmental management committee
- Human Resource and financial delegations
- Departmental Communication policy

Provide commentary on the effectiveness of the above. Refer to the Framework for the Preparation and Presentation of Financial Statements which was issued by the Accounting Standards Board, as well as the Guideline for the Preparation of Annual Reports for National/Provincial departments.

5. Discontinued activities/activities to be discontinued

There were no discontinued activities.

6. New/proposed activities

Building of Places of Safety and Secure Care Centres

Reasons for new activities:

This in line with Child Justice Bill

Effect on the operations of the department:

New staff requirements and other resource requirements

Financial implications of each new activity:

R70 million required for the buildings over the MTEF Period.

7. Events after the reporting date

There are no significant events after the reporting date

8. Performance information

The following service were rendered by the department:

- Improve the quality of life of children, individuals, families and communities through social development interventions such as social pensions, anti poverty and NGO/CBO.
- Mitigate the negative impact of HIV/AIDS and expanding the home based care / community based care and support programme.
- Ensure that relevant provisioning of the PFMA is implemented
- Implement the decentralisation of the procurement and administration system
- Ensure that there is economic, efficient, effective and transparent utilisation of government resources.

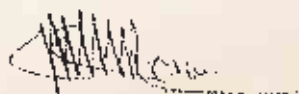
9. Scopa resolutions

Reference to previous audit report audit report and SCOPA resolutions	Subject	Findings on progress
Resolution 6	73 files to be submitted to the Auditor General	The social security function in the process of being taken over by the SASSA which will take over the record management system which is standard to all the provinces.
	64 000 life certificates worth R371 million of grants not provided	80 000 life certificates were issued and and responses are still being received.
	No Annual Audited financial statements for 34 million granted to crèches and institutions during the year plus no verification of income of the parents of children the crèches and assessment of number of children in crèches	The department engaged office of the Auditor General to do a need analysis at the crèches. The department is meanwhile making a submission to the treasury to provide funding for implementation of an accounting system at these crèches. Consideration is also given to have these crèches provided with basic accounting kits that will include ledgers, cashbooks, etc.

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
	176 of the 763 employees receiving grants were finalised while 560 were suspended. Investigations on these cases not finalised.	National department of Social Development took over the case of employees receiving grants. The national anti-corruption campaign is still busy with the cases.
	R6,2 million due to the department for more than two years is shown as receivables in the financials.	The Department has approached the treasury with the view of having the amount cleared.
	R236 unauthorised expenditure disclosed as note 10 in the financials for previous years, still to be resolved.	A submission has been forwarded to the Provincial treasury for approval of funding. The department is still waiting for a response.
	R16.3 million paid to Post Office was disclosed as irregular in the financials (note 24). An SLA only finalised after year end.	An SLA between the department and Post Office has been signed

Approval

The Annual Financial Statements set out on pages 56 to 95 have been approved by the Accounting Officer.



P.M.H. MORULE
DEPUTY DIRECTOR GENERAL
03 August 2005

**(North West – Department of Social Development)
VOTE 12**

**ACCOUNTING POLICIES
for the year ended 31 March 2005**

The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2004. The following issued, but not yet effective Standards of Generally Recognised Accounting Practice have not been fully complied with in the Annual Financial Statements: GRAP 1, 2 and 3.

1. Basis of preparation

The Annual Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

2. Revenue

Appropriated funds

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of National/Provincial Expenditure. Unexpended voted funds are surrendered to the National/Provincial Revenue Fund, unless otherwise stated.

Departmental revenue

Sale of goods and services other than capital assets

This comprises the proceeds from the sale of goods and/or services produced by the entity. Revenue is recognised in the statement of financial performance on receipt of the funds.

3. Expenditure

Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system. The expenditure is classified as capital where the employees were involved, on a full time basis, on capital projects during the financial year. All other payments are classified as current expense.

Social contributions include the entities' contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

Short-term employee benefits

The cost of short-term employee benefits is expensed in the Statement of Financial Performance in the reporting period when the final authorisation for payment is effected on the system. Short-term employee benefits, that give rise to a present legal or constructive obligation are disclosed as a disclosure note to the Annual Financial Statements and are not recognised in the Statement of Financial Performance.

Long-term employee benefits and other post employment benefits

Termination benefits

Termination benefits are recognised and expensed only when the final authorisation for payment is effected on the system.

Medical benefits

The department provides medical benefits for its employees through defined benefit plans. Employer contributions to the fund are incurred when the final authorisation for payment is effected on the system. No provision is made for medical benefits in the Annual Financial Statements of the department.

Post employment retirement benefits

The department provides retirement benefits for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system. No provision is made for retirement benefits in the Annual Financial Statements of the department. Any potential liabilities are disclosed in the Annual Financial Statements of the National/Provincial Revenue Fund and not in the Annual Financial Statements of the employer department.

Other employee benefits

Obligations arising from leave entitlement, thirteenth cheque and performance bonus that are reflected in the disclosure notes have not been paid for at year-end.

Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. The expense is classified as capital if the goods and services was used on a capital project.

Interest and rent on land

Interest and rental payments resulting from the use of land, are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. This item excludes rental on the use of buildings or other fixed structures.

Unauthorised expenditure

Unauthorised expenditure, is defined as:

- The overspending of a vote or a main division within a vote, or
- Expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is approved by the relevant authority, recovered or written off as irrecoverable.

Irregular expenditure

Irregular expenditure, is defined as :

expenditure, other than unauthorised expenditure, incurred in contravention or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act
- the State Tender Board Act, or any regulations made in terms of this act, or
- any provincial legislation providing for procurement procedures in that provincial government.

It is treated as expenditure in the Statement of Financial Performance. If such expenditure is not condoned and it is possibly recoverable it is disclosed as receivable in the Statement of Financial Position at year-end.

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure, is defined as:

expenditure that was made in vain and would have been avoided had reasonable care been exercised, therefore

- it must be recovered from a responsible official (a debtor account should be raised), or
- the vote. (If responsibility cannot be determined.)

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is recovered from the responsible official or written off as irrecoverable.

4. Transfers and subsidies

Transfers and subsidies include all irrecoverable payments made by the entity. Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system.

5. Expenditure for capital assets

Capital assets are assets that can be used repeatedly and continuously in production for more than one year. Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

6. Receivables

Receivables are not normally recognised under the modified cash basis of accounting. However, receivables included in the Statement of Financial Position arise from cash payments that are recoverable from another party, when the payments are made.

Receivables for services delivered are not recognised in the Statement of Financial Position as a current asset or as income in the Statement of Financial Performance, as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the Annual Financial Statements.

8. Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and balances with banks, short term investments in money market instruments and demand deposits. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Payables

Payables are not normally recognised under the modified cash basis of accounting. However, payables included in the Statement of Financial Position arise from advances received that are due to the Provincial/National Revenue Fund or another party.

10. Lease commitments

Lease commitments for the period remaining from the reporting date until the end of the lease contract are disclosed as part of the disclosure notes to the Annual Financial Statements. These commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on the cash basis of accounting.

Operating lease expenditure is expensed when the payment is made.

Finance lease expenditure is expensed when the payment is made, but results in the acquisition of the asset under the lease agreement. A finance lease is not allowed in terms of the Public Finance Management Act.

11. Accruals

This amount represents goods/services that have been received, but no invoice has been received from the supplier at the reporting date, OR an invoice has been received but final authorisation for payment has not been effected on the system. These amounts are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

12. Contingent liability

This 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 wholly within the control of the department; or

a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability

Contingent liabilities are not recognised in the Statement of Financial position, but the information is disclosed as part of the disclosure notes.

13. Commitments

This amount represents goods/services that have been approved and/or contracted, but no delivery has taken place at the reporting date. These amounts are not recognised in the Statement of financial position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

15. Recoverable revenue

Recoverable revenue represents payments made and recognised in the Statement of Financial Performance as an expense in previous years due to non-performance in accordance with an agreement, which have now become recoverable from a debtor. Repayments are transferred to the Revenue Fund as and when the repayment is received.

16. Comparative figures

Where necessary, comparative figures have been restated to conform to the changes in the presentation in the current year. The comparative figures shown in these Annual Financial Statements are limited to the figures shown in the previous year's audited Annual Financial Statements and such other comparative figures that the department may reasonably have available for reporting. Reclassification of expenditure has occurred due to the implementation of the Standard Chart of Accounts. It is not practical to present comparative amounts in the Cash Flow Statements as this would involve reclassification of amounts dating back to the 2002/03 year-end.

North West – Department of Social Development

Appropriation Statement for the year ended 31 March 2005

North West – Department of Social Development
Appropriation Statement
for the year ended 31 March 2005

	2004/05 Adjusted Appropriation	Shifting of Funds	Appropriation per Programme			Variance	Expenditure as % of final appropriation	2003/04 Final Appropriation	Actual Expenditure
			Virement	Final Appropriation	Actual Expenditure				
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Management and Administration									
Current payment	72,689	–	–	72,689	73,268	–579	100.8%	40,708	40,394
Transfers and subsidies	382	–	–	382	289	93	75.7%	–	–
Expenditure for capital assets	4,096	–	–	4,096	2,696	1,400	65.8%	1,797	1,356
2. Social Assistance Grants									
Current payment	203,207	–	–	203,207	170,995	32,212	84.1%	3,182,991	3,175,961
Transfers and subsidies	3,809,186	–	–	3,809,186	3,757,324	51,862	98.6%	–	–
Expenditure for capital assets	13,363	–	–	13,363	8,754	4,609	65.5%	9,347	3,976
3. Social Welfare Services									
Current payment	84,071	–	–	84,071	85,243	–1,172	101.4%	168,182	166,891
Transfers and subsidies	39,746	–	–	39,746	39,506	240	99.4%	–	–
Expenditure for capital assets	3,175	–	–	3,175	1,034	2,141	32.6%	2,144	1,667
4. Development and Support									
Current payment	19,517	–	–	19,517	16,900	2,617	86.6%	62,327	55,167
Transfers and subsidies	62,106	–	–	62,106	42,443	19,663	68.3%	–	–
Expenditure for capital assets	1,920	–	–	1,920	505	1,415	26.3%	578	266
5. Development and Maintenance									
Current payment	–	–	–	–	–	–	0.0%	1,040	966
Transfers and subsidies	–	–	–	–	–	–	0.0%	–	–
Expenditure for capital assets	–	–	–	–	–	–	0.0%	10,000	6,800
Expenditure for capital assets	–	–	–	–	–	–	0.0%	1,567	1,291

**North West – Department of Social Development
Appropriation Statement (continued)
for the year ended 31 March 2005**

	2004/05 Adjusted Appropriation	Shifting of Funds	Virement	Appropriation per Programme			Expenditure as % of final appropriation %	2003/04 Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	Appropriation	Final Expenditure	R'000	R'000	R'000	R'000
6. Arts, Culture and Libraries									
Current payment	–	–	–	–	–	–	0.0%	55,819	59,228
Transfers and subsidies	–	–	–	–	–	–	0.0%	–	–
Expenditure for capital assets	–	–	–	–	–	–	0.0%	1,567	1,291
7. Sports and Recreation									
Current payment	–	–	–	–	–	–	0.0%	19,362	17,822
Transfers and subsidies	–	–	–	–	–	–	0.0%	–	–
Expenditure for capital assets	–	–	–	–	–	–	0.0%	770	480
Subtotal	4,313,458	–	–	4,313,458	4,198,957	114,501	97.3%	3,556,632	3,532,265
Statutory Appropriation									
Current payments	–	–	0.0%						
Transfers and subsidies	–	–	0.0%						
Payment for capital assets	–	–	0.0%						
Total	4,313,458	–	–	4,313,458	4,198,957	114,501	97.3%	3,556,632	3,532,265
Departmental receipts				1,930				307	
Actual amounts per Statement of Financial Performance (Total Revenue)				4,315,388				3,556,939	
Actual amounts per Statement of Financial Performance Expenditure					4,198,957				3,532,265

North West – Department of Social Development
Appropriation Statement
for the year ended 31 March 2005

	Appropriation per Economic Classification						2003/04 Final Appropriation	Actual Payment
	2004/05 Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Current payments								
Compensation to employees	143,214	–	–	143,214	146,038	–2,824	102.0%	161,168
Goods and services	236,270	–	–	236,270	200,158	36,112	84.7%	190,494
Interest and rent on land	–	–	–	–	12	–12	#DIV/0!	–
Transfers & subsidies								
Provinces & municipalities	491	–	–	491	1,684	–1,193	343.0%	–
Departmental agencies & accounts	–	–	–	–	–	–	0.0%	43,357
Non-profit institutions	101,777	–	–	101,777	81,929	19,848	80.5%	90,314
Households	3,809,152	–	–	3,809,152	3,756,142	53,010	98.6%	3,045,055
Payment on capital assets								
Buildings & other fixed structures	–	–	–	–	–	–	0.0%	6,800
Machinery & equipment	22,554	–	–	22,554	12,994	9,560	57.6%	19,444
Total	4,313,458	–	–	4,313,458	4,198,957	114,501	97.3%	3,556,632
								3,532,265

Detail per Programme 1: Management Administration

North West – Department of Social Development
Appropriation Statement
for the year ended 31 March 2005

	Appropriation per Economic Classification					Variance	Payment as % of final appropriation %	2003/04 Final Appropriation R'000	Actual Payment R'000
	2004/05 Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000				
1.1 Office of the MEC									
Current payment	4,114			4,114	3,527	587	85.7%	2,613	3,443
Transfers and subsidies	2			2	5	-3	250.0%	-	-
Expenditure for capital assets	800			800	790	10	98.8%	297	381
1.2 Provincial Administration									
Current payment	47,560			47,560	52,025	-4,465	109.4%	36,521	35,121
Transfers and subsidies	368			368	259	109	70.4%	-	-
Expenditure for capital assets	2,208			2,208	939	1,269	42.5%	1,000	661
1.3 District Management									
Current payment	21,015			21,015	17,716	3,299	84.3%	1,574	1,830
Transfers and subsidies	12			12	25	-13	208.3%	-	-
Expenditure for capital assets	1,088			1,088	967	121	88.9%	500	314
Total	77,167	-	-	77,167	76,253	914	98.8%	42,505	41,750

**North West – Department of Social Development
Appropriation Statement
for the year ended 31 March 2005**

Economic classification	Appropriation per Economic Classification						2003/04 Final Appropriation	Actual Payment
	2004/05 Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation %	
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Current payments								
Compensation to employees	31,429			31,429	37,693	-6,264	119.9%	23,803
Goods and services	41,260			41,260	35,548	5,712	86.2%	16,588
Interest and rent on land	-				12	-12	#DIV/0!	3
Transfers & subsidies								
Provinces & municipalities	382			382	289	93	75.7%	
Payments for capital assets								
Machinery & equipment	4,096			4,096	2,711	1,385	66.2%	1,356
Total	77,167	-	-	77,167	76,253	914	98.8%	41,750

North West – Department of Social Development
Appropriation Statement :Detail per programme 2 – Social Assistance Grants
for the year ended 31 March 2005

Programme per subprogramme	2004/05 Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	2003/04 Final Appropriation R'000	Actual Payment R'000
2.1 Administration									
Current payment	138,487			138,487	134,630	3,857	97.2%	70,969	132,639
Transfers and subsidies	5,022			5,022	1,182	3,840	23.5%	–	
Expenditure for capital assets	981			981	1,271	–290	129.6%	8,284	3,476
2.2 Care Dependency									
Current payment				–		–	0.0%	52,866	52,218
Transfers and subsidies	71,380			71,380	64,018	7,362	89.7%		
Expenditure for capital assets				–		–	0.0%		
2.3 Child Support Grant									
Current payment				–		–	0.0%	523,506	502,526
Transfers and subsidies	644,596			644,596	663,912	–19,316	103.0%		
Expenditure for capital assets				–		–	0.0%		
2.4 Disability									
Current payment				–		–	0.0%	840,504	800,825
Transfers and subsidies	1,008,744			1,008,744	982,491	26,253	97.4%		
Expenditure for capital assets				–		–	0.0%		
2.5 Foster Care									
Current payment				–		–	0.0%	75,510	74,306
Transfers and subsidies	124,730			124,730	116,949	7,781	93.8%		
Expenditure for capital assets				–		–	0.0%		

**North West – Department of Social Development
Appropriation Statement :Detail per programme 2 – Social Assistance Grants (continued)
for the year ended 31 March 2005**

Programme per subprogramme	2004/05 Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	2003/04 Final Appropriation R'000	Actual Payment R'000
2.6 Grant in Aid									
Current payment				–		–	0.0%	373	1,119
Transfers and subsidies	1,832			1,832	4,310	–2,478	235.3%		
Expenditure for capital assets				–	–	–	0.0%		
2.7 Old Age									
Current payment				–		–	0.0%	1,482,712	1,497,066
Transfers and subsidies	1,596,547			1,596,547	1,626,130	–29,583	101.9%		
Expenditure for capital assets				–	–	–	0.0%		
2.8 Relief of Distress									
Current payment				–		–	0.0%		103
Transfers and subsidies	4,000			4,000		4,000	0.0%		
Expenditure for capital assets				–	–	–	0.0%		
2.9 War Veterans									
Current payment				–		–	0.0%	1,227	1,214
Transfers and subsidies	1,030			1,030	1,061	–31	103.0%		
Expenditure for capital assets				–	–	–	0.0%		
2.10 Child Support Grant (07–14)									
Current payment	64,720			64,720	36,365	28,355	56.2%	135,324	113,945
Transfers and subsidies	351,305			351,305	297,271	54,034	84.6%		
Expenditure for capital assets	12,382			12,382	7,483	4,899	60.4%	1,063	500
Total	4,025,756	–	–	4,025,756	3,937,073	88,683	97.8%	3,192,338	3,179,937

**North West – Department of Social Development
Appropriation Statement
for the year ended 31 March 2005**

Economic Classification	2004/05 Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	2003/04 Final Appropriation R'000	Actual Payment R'000
Current									
Compensation to employees	34,383			34,383	28,486	5,897	82.8%	11,110	16,774
Goods and services	168,824			168,824	142,519	26,305	84.4%	126,826	115,865
Transfers & subsidies									
Provinces & municipalities	34			34	1,182	-1,148	3476.5%		
Households	3,809,152			3,809,152	3,756,142	53,010	98.6%	3,045,055	3,043,322
Capital									
Machinery & equipment	13,363			13,363	8,744	4,619	65.4%	9,347	3,976
Total		4,025,756	-	-	4,025,756	3,937,073	88,683	97.8%	3,192,338
3,179,937									

**North West – Department of Social Development
Appropriation Statement : Detail per programme 3 – Social Welfare Services
for the year ended 31 March 2005**

Programme per subprogramme	2004/05 Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	2003/04 Final Appropriation R'000	Actual Payment R'000
3.1 Administration									
Current payment	36,939			36,939	46,284	-9,345	125.3%	131,224	129,463
Transfers and subsidies	2,119			2,119	2,145	-26	101.2%		
Expenditure for capital assets	150			150	45	105	30.0%	2,144	1,667
3.2 Treatment and Prevention of Substance Abuse									
Current payment	1,122			1,122	603	519	53.7%		
Transfers and subsidies	901			901	1,823	-922	202.3%		
Expenditure for capital assets	50			50	34	16	68.0%		
3.3 Care of Older Persons									
Current payment	9,982			9,982	11,157	-1,175	111.8%	10,226	11,367
Transfers and subsidies	14,507			14,507	14,629	-122	100.8%		
Expenditure for capital assets	200			200	83	117	41.5%		
3.4 Crime prevention, Rehabilitation and victim Empowerment									
Current payment	7,937			7,937	6,978	959	87.9%	3,816	903
Transfers and subsidies	1,700			1,700	1,683	17	99.0%		
Expenditure for capital assets	265			265	186	79	70.2%		
3.5 Service to Persons with Disabilities									
Current payment	15,379			15,379	12,612	2,767	82.0%	12,842	1,633
Transfers and subsidies	1,512			1,512	2,038	-526	134.8%		
Expenditure for capital assets	75			75	35	40	46.7%		
3.6 Child Youth Care and Protection									
Current payment	12,712			12,712	7,609	5,103	59.9%	10,074	23,525
Transfers and subsidies	19,007			19,007	17,188	1,819	90.4%		
Expenditure for capital assets	2,435			2,435	651	1,784	26.7%		
Total	126,992	-	-	126,992	125,783	1,209	99.0%	170,326	168,558

**North West – Department of Social Development
Appropriation Statement
for the year ended 31 March 2005**

Economic Classification	2004/05 Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	2003/04 Final Appropriation R'000	Actual Payment R'000
Current									
Compensation to employees	66,857			66,857	68,974	-2,117	103.2%	108,846	107,233
Goods and services	17,214			17,214	16,076	1,138	93.4%	22,378	22,230
Transfers & subsidies									
Provinces & municipalities	62			62	193	-131	311.3%		
Non-profit institutions	39,684			39,684	39,506	178	99.6%	36,958	37,428
Capital									
Machinery & equipment	3,175			3,175	1,034	2,141	32.6%	2,144	1,667
Total		126,992	-	-	126,992	125,783	1,209	99.0%	170,326
168,558									

**North West – Department of Social Development
Appropriation Statement: Detail per Programme 4 – Development and Support
for the year ended 31 March 2005**

Economic Classification	2004/05 Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	2003/04 Final Appropriation R'000	Actual Payment R'000
4.1 Administration									
Current payment	11,317			11,317	11,649	-332	102.9%	4,274	5,996
Transfers and subsidies	2,895			2,895	3,130	-235	108.1%		
Expenditure for capital assets	1,542			1,542	384	1,158	24.9%	80	266
4.2 Youth Development									
Current payment	1,272			1,272	740	532	58.2%	3,130	298
Transfers and subsidies	5,201			5,201	4,380	821	84.2%		
Expenditure for capital assets	48			48	14	34	29.2%	50	
4.3 HIV / AIDS									
Current payment	2,132			2,132	725	1,407	34.0%	7,432	4,933
Transfers and subsidies	7,661			7,661	8,283	-622	108.1%	-	
Expenditure for capital assets	100			100	93	7	93.0%	148	
4.4 Poverty alleviation									
Current payment	2,930			2,930	2,370	560	80.9%	46,082	43,940
Transfers and subsidies	45,094			45,094	25,467	19,627	56.5%		
Expenditure for capital assets	130			130	2	128	1.5%	100	
4.5 NPO and Welfare Organisation Development									
Current payment	1,866			1,866	1,416	450	75.9%	1,409	
Transfers and subsidies	1,255			1,255	1,183	72	94.3%		
Expenditure for capital assets	100			100	12	88	12.0%	200	
Total	83,543	-	-	83,543	59,848	23,695	71.6%	62,905	55,433

**North West – Department of Social Development
Appropriation Statement
for the year ended 31 March 2005**

Economic Classification	2004/05 Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	2003/04 Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current									
Compensation to employees	10,545			10,545	10,885	-340	103.2%	5,361	3,950
Goods and services	8,972			8,972	6,015	2,957	67.0%	3,569	2,046
Transfers & subsidies									
Provinces & municipalities	13			13	20	-7	153.8%		
Non-profit institutions	62,093			62,093	42,423	19,670	68.3%	53,356	49,171
Capital									
Machinery & equipment	1,920			1,920	505	1,415	26.3%	619	266
Total	83,543	-	-	83,543	59,848	23,695	71.6%	62,905	55,433

**North West – Department of Social Development
Appropriation Statement: Programme 5: Development and Maintenance
for the year ended 31 March 2005**

Programme per subprogramme	2004/05 Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	2003/04 Final Appropriation R'000	Actual Payment R'000
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5.1 Development and Maintenance

Current payment				–		–	0.0%	1,040	966
Expenditure for capital assets				–		–	0.0%	10,000	6,800
Total	–	–	–	–	–	–	0.0%	11,040	7,766

Economic classification	2004/05 Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	2003/04 Final Appropriation R'000	Actual Payment R'000
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Current									
Goods and services				–		–	0.0%	1,040	966
Capital									
Buildings & other fixed structures				–		–	0.0%	6,800	6,800
Machinery & equipment				–		–	0.0%	3,200	–
Total	–	–	–	–	–	–	0.0%	11,040	7,766

**North West – Department of Social Development
Appropriation Statement: Programme 6: Arts, Culture & Libraries
for the year ended 31 March 2005**

Programme per subprogramme	2004/05 Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payment	Variance	Payment as % of final appropriation	2003/04 Final Appropriation	Actual Payment
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Arts, Culture, Languages and Museums									
Current payment				–		–	0.0%	55,819	59,228
Expenditure for capital assets				–		–	0.0%	1,567	1,291
Total	–	–	–	–	–	–	0.0%	57,386	60,519
Economic classification									
Current									
Compensation to employees				–		–	0.0%	9,025	13,896
Goods and services				–		–	0.0%	12,429	10,635
Transfers & subsidies									
Provinces & municipalities				–		–	0.0%		6,940
Dept agencies & accounts				–		–	0.0%	34,365	27,757
Capital									
Buildings & other fixed structures				–		–	0.0%		
Machinery & equipment				–		–	0.0%	1,567	1,291
Total	–	–	–	–	–	–	0.0%	57,386	60,519

**North West – Department of Social Development
Appropriation Statement: Programme 7: Sports and Recreation
for the year ended 31 March 2005**

Programme per subprogramme	2004/05 Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	2003/04 Final Appropriation R'000	Actual Payment R'000
7.1 Sport and Recreation									
Current payment				–		–	0.0%	19,362	17,822
Expenditure for capital assets				–		–	0.0%	770	480
Total	–	–	–	–	–	–	0.0%	20,132	18,302

Economic classification	2004/05 Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Payment R'000	Variance R'000	Payment as % of final appropriation %	2003/04 Final Appropriation R'000	Actual Payment R'000
Current									
Compensation to employees				–		–	0.0%	3,660	3,383
Goods and services				–		–	0.0%	6,710	5,347
Dept agencies& accounts				–		–	0.0%	8,992	9,092
Total	–	–	–	–	–	–	0.0%	20,132	18,302

North West - Department of Social Development

Notes to the Appropriation Statement

for the year ended 31 March 2005

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

Detail of these transactions can be viewed in note 11 (Transfers and subsidies) and Annexure 1 (A-K) to the annual financial statements.

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

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 8 (Details of special functions (theft and losses)) to the annual financial statements.

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

4.1 Per programme:

	Voted Funds after virement	Actual Expenditure	R'000	%
Management and Administration				
Social Assistance Grants	4025756	3937073	88683	97.80
Late registration of child support grant extension				
Social Welfare Services				
Development and Support	83543	59848	23695	71.64
Late award of the National NFES tender				

(In the case of surpluses on programmes, a detailed explanation must be given as to whether it is as a result of a saving or underspending.)

4.2 Per economic classification: R'000

Current expenditure

Goods and services 36112

Transfers and subsidies

Non-profit institutions 19848

Households

Late registration of child support grant extension

Late award of the National NFES tender

Statement of Financial Performance for the year ended 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
REVENUE			
Annual appropriation	1.	4,313,458	3,556,632
Departmental revenue	2.	1,930	307
TOTAL REVENUE		<u>4,315,388</u>	<u>3,556,939</u>
EXPENDITURE			
Current expenditure			
Compensation of employees	3.	146,038	169,039
Goods and services	4.	200,158	173,677
Interest and rent on land	5.	12	3
Total current expenditure		<u>346,208</u>	<u>342,719</u>
Transfers and subsidies	7.	3,839,755	3,173,710
Expenditure for capital assets			
Buildings and other fixed structures	8.	-	6,800
Machinery and Equipment	8.	12,994	9,036
Total expenditure for capital assets		<u>12,994</u>	<u>15,836</u>
TOTAL EXPENDITURE		<u>4,198,957</u>	<u>3,532,265</u>
NET SURPLUS/(DEFICIT)		116,431	24,674
Add back unauthorised expenditure	6.	-	13,682
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u>116,431</u>	<u>38,356</u>
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds to be surrendered to the Revenue Fund	10.	114,501	38,049
Departmental revenue to be surrendered to revenue fund	11.	1,930	307
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u>116,431</u>	<u>38,356</u>

Statement of Financial Position as at 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
ASSETS			
Current assets		256,671	259,014
Unauthorised expenditure	6.	249,823	249,823
Receivables	9.	6,848	9,191
TOTAL ASSETS		256,671	259,014
LIABILITIES			
Current liabilities		256,671	259,014
Voted funds to be surrendered to the Revenue Fund	10.	127,858	38,049
Departmental revenue to be surrendered to the Revenue Fund	11.	-	-
Bank overdraft	12.	128,228	220,139
Payables	13.	585	826
Non-current liabilities			
TOTAL LIABILITIES		256,671	259,014

Cash Flow Statement for the year ended 31 March 2005

	Note	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		4,317,731
Annual appropriated funds received		4,313,458
Statutory appropriated funds received		-
Departmental revenue received		1,930
Net (increase)/decrease in working capital		2,343
Surrendered to Revenue Fund		-26,622
Current payments		-346,449
Transfers and subsidies paid		-3,839,755
Net cash flow available from operating activities	14.	104,905
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets		-12,994
(Increase)/ decrease in loans granted		-
Net cash flows from investing activities		-12,994
Net increase/(decrease) in cash and cash equivalents		91,911
Cash and cash equivalents at beginning of period		-220,139
Cash and cash equivalents at end of period	12.	-128,228

Notes to the Annual Financial Statements for the year ended 31 March 2005

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments (Equitable Share)

	Final Appropriation R'000	Actual Funds Received R'000	Variance over/(under) R'000	Total Appropriation 2003/04 R'000
Management and Administration	77,167	76,253	914	42,505
Social Assistance Grants	4,025,756	3,937,073	88,683	3,192,338
Social Welfare Services	126,992	125,783	1,209	170,326
Development and Support83,543	59,848	23,695	62,905	
Development and Maintenance	-	-	-	11,040
Arts, Culture and Libraries	-	-	-	57,386
Sports and Recreation	-	-	-	20,132
Total	4,313,458	4,198,957	114,501	3,556,632

Explanation of material variances including whether or not application will be made for a rollover.

Late Registration of Child Support Grant Extension Late award of the National NFES tender
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	Note	2004/05 R'000	2003/04 R'000
1.2 Conditional grants			
Total grants received	ANNEXURE 1A	479,767	218,132

(** It should be noted that the Conditional grants are included in the amounts per the Total Appropriation in Note 1.1)

2. Departmental revenue to be surrendered to revenue fund

Description

Sales of goods and services other than capital assets	873	2,173
Fines, penalties and forfeits	1,057	-
Total revenue collected	1,930	2,173
Less: Departmental revenue budgeted *	-	1,866
Departmental revenue collected	1,930	307

	Note	2004/05 R'000	2003/04 R'000
3. Compensation of employees			
3.1 Salaries and wages			
Basic salary		96,725	98,650
Performance award		7,317	7,983
Periodic payments		1,608	12,107
Other non-pensionable allowances		16,231	25,872
		<u>121,881</u>	<u>144,612</u>
3.2 Social contributions			
3.2.1 Short term employee benefits			
Pension		15,113	14,941
Medical		9,044	9,486
		<u>24,157</u>	<u>24,427</u>
Total compensation of employees		<u>146,038</u>	<u>169,039</u>
Average number of employees		<u>1,326</u>	<u>1,418</u>
4. Goods and services			
Advertising		1,980	2,016
Attendance fees (including registration fees)	-	661	
Bank charges and card fees		5,240	5,002
Communication		13,908	12,205
Computer services		258	208
Consultants, contractors and special services		120,837	101,741
Courier and delivery services		-	86
Tracing agents & debt collections		23	26
Entertainment		2,631	2,743
External audit fees	4.1	2,914	973
Equipment less than R5 000		57	-
Freight service		104	
Government motor transport		3,091	7,216
Honoraria (Voluntary workers)		4	
Inventory	4.2	9,825	16,763
Learnerships		16	
Legal fees		34	394
Licence agency fees		-	12
Maintenance, repair and running costs		22,560	17,012
Medical services		174	
Plant flowers and other decorations		-	159
Printing and publications		88	
Professional bodies and membership fees		2	

	Note	2004/05 R'000	2003/04 R'000
Goods and services (continued)			
Resettlement costs		82	118
Transport provided as part of the departmental activities		1,326	
Travel and subsistence	4.3	12,559	4,954
Venues and facilities	7		
Protective, special clothing & uniforms		19	
Training & staff development		2,419	1,389
		200,158	173,678
4.1 External audit fees			
Regulatory audits		1,261	973
Other audits		1,653	
Total external audit fees		2,914	973
4.2 Inventory			
Other inventory		88	2,335
Domestic Consumables		6,338	
Agricultural		150	57
Learning and teaching support material		233	5,984
Food and Food supplies		-	1,445
Other consumables		-	1,980
Parts and other maint mat		1,170	
Sport and recreation	1	731	
Stationery and Printing		1,236	4,226
Medical Supplies		609	5
Total Inventory		9,825	16,763
4.3 Travel and subsistence			
Local		12,489	4,915
Foreign		70	39
Total travel and subsistence		12,559	4,954
5. Interest and rent on land			
Interest expense		12	3
Total interest and rent on land		12	3

		Note	2004/05 R'000	2003/04 R'000		
6. Unauthorised expenditure						
6.1 Reconciliation of unauthorised expenditure						
Opening balance			249,823	236,141		
Unauthorised expenditure – current year			-	13,682		
Unauthorised expenditure awaiting authorisation			<u>249,823</u>	<u>249,823</u>		
6.2 Unauthorised expenditure						
Incident				Total		
Overspending by Programmes				<u>249,823</u>		
				<u>249,823</u>		
7. Transfers and subsidies						
Provinces and municipalities	ANNEXURE 1B & 1C		1,684	6,940		
Departmental agencies and accounts	ANNEXURE 1D		-	36,849		
Non-profit institutions	ANNEXURE 1H		81,929	86,599		
Households	ANNEXURE 1I		3,756,142	3,043,322		
Gifts and donations	ANNEXURE 1K		-			
			<u>3,839,755</u>	<u>3,173,710</u>		
8. Expenditure for capital assets						
Buildings and other fixed structures	ANNEXURE 4		-	6,800		
Machinery and equipment	ANNEXURE 4		12,994	9,036		
Total			<u>12,994</u>	<u>15,836</u>		
9. Receivables						
		Less than one year	One to three years	Older than three years	Total	Total
Staff debtors	9.1		69		69	719
Clearing accounts	9.2	172	3,628		3,800	3,628
Other debtors	9.3	2,979			2,979	4,844
		<u>3,151</u>	<u>3,697</u>	<u>-</u>	<u>6,848</u>	<u>9,191</u>

	Note	2004/05 R'000	2003/04 R'000
9.1 Staff debtors			
(Group major categories, but list material items)			
Business Card		13	32
S & T Advances		50	235
Salary Advance		-	166
Tax Debt		5	120
Other		1	166
		<u>69</u>	<u>719</u>
9.2 Clearing accounts			
(Group major categories, but list material items)			
Interdepartmental		3,800	3,628
		<u>3,800</u>	<u>3,628</u>
9.3 Other debtors			
Nature of advances			
(Group major categories, but list material items)			
Sundry debtors - Post Office		2,690	19
Other debtors		289	4,825
		<u>2,979</u>	<u>4,844</u>
10. Voted Funds to be surrendered to the Revenue Fund			
Opening balance		38,049	
Transfer from Statement of Financial Performance		114,501	38,049
Paid during the year		-24,692	
Closing balance		<u>127,858</u>	<u>38,049</u>
11. Departmental revenue to be surrendered to revenue fund			
Transfer from Statement of Financial Performance		1,930	307
Transfer from local and foreign aid assistance**			
Paid during the year		-1,930	-307
Closing balance		<u>-</u>	<u>-</u>

** Amount not used at end of project, which donors allow department to maintain should be paid over to the Revenue Fund.

	Note	2004/05 R'000	2003/04 R'000
12. Bank overdraft			
Paymaster General Account		128,228	220,139
		<u>128,228</u>	<u>220,139</u>

13. Payables – current

Description	30 Days	30+ Days	2004/05 Total	2003/04 Total
Amounts owing to				
Advances received 13.1		-	-	826
Clearing accounts 13.2		442	442	-
Other payables 13.3		143	143	-
	<u>-</u>	<u>585</u>	<u>585</u>	<u>826</u>

13.1 Advances received

Identify major categories, but list material items

Salary Advances		221
S&T Advances		88
Other		517
	<u>-</u>	<u>826</u>

13.2 Clearing accounts

Description

(Identify major categories, but list material amounts)

Salary Movement	442
	<u>442</u>
	<u>-</u>

13.3 Other payables

Description

(Identify major categories, but list material amounts)

Salary advance received from the employees still to be	61
Returned Deduction cheques	82
	<u>143</u>
	<u>-</u>

	Note	2004/05 R'000	2003/04 R'000
14. Reconciliation of net cash flow from operating activities		2004/05	
Net surplus/(deficit) as per Statement of Financial Performance		116,431	
Non-cash movements			
(Increase)/decrease in receivables – current		2,343	
(Increase)/decrease in prepayments and advances		-	
(Increase)/decrease in other current assets		-	
(Increase)/decrease in other non-current assets		-	
Increase/(decrease) in payables – current		-241	
Increase/(decrease) in current liabilities		89,809	
Increase/(decrease) in non-current liabilities			
Proceeds from sale of equipment			
Proceeds from sale of land and buildings			
Proceeds on sale of investments			
Capital expenditure		12,994	
Voted funds not requested/not received		-116,431	
Proceeds on sale of financial assets			
Net cash flow generated by operating activities		<u>104,905</u>	
15. Appropriated funds and departmental revenue surrendered			
Appropriated funds surrendered			-38,049
Departmental revenue surrendered			-307
		-	<u>-38,356</u>

Disclosure notes to the Annual Financial Statements for the year ended 31 March 2005

These amounts are not recognised in the financial statements and are disclosed to enhance the usefulness of the financial statements.

	Note	2004/05 R'000	2003/04 R'000
16. Contingent liabilities			
Liable to	Nature		
Housing loan guarantees	ANNEXURE 3	1,063	1,063
Employees Claims		332	
Other departments (unconfirmed balances)	ANNEXURE 7	103	890
Capped Leave Commitments		18,279	520
		19,777	2,473

17. Commitments

Current expenditure

Approved and contracted	126	21,367
Approved but not yet contracted	126	21,367

Capital expenditure

Approved and contracted		3,200
		3,200

Total Commitments	126	24,567
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Admin = R70 000, SW = R19 000, SA = R 37 000,

18. Accruals

By economic classification	30 Days	30+ Days	Total	Total
Goods and services	43,124		43,124	12,691
Transfers and subsidies			-	1,348
Buildings and other fixed structures			-	3,200
			43,124	17,239

Listed by programme level

Management and Administration		622	
Social Assistance		41,005	
Social Welfare Services		1,489	
Development and Support		8	
		43,124	-
Confirmed balances with other departments	ANNEXURE 7	115	-
		115	-

	Note	2004/05 R'000	2003/04 R'000
19. Employee benefits			
Thirteenth cheque		4,373	-
Performance awards		27	-
		<u>4,400</u>	<u>-</u>

20. Leases

20.1 Operating leases	Buildings & other fixed	Machinery structures	Total and equipment	Total
Not later than 1 year 7,307	1,240	8,547	855	
Later than 1 year and not later than 3 years 12,284		1,633	13,917	5,892
Later than three years 4,816		4,816	3,216	
Total present value of lease liabilities	24,407	2,873	27,280	9,963
Total present value of lease liabilities	24,407	2,873	27,280	9,963

21. Irregular expenditure**21.1 Reconciliation of irregular expenditure**

Opening Balance	24,886	7,981
Irregular expenditure – current year	12,836	23,105
Transferred to Statement of Financial Performance - authorised losses (Condoned)	-21,624	-6,200
Irregular expenditure awaiting condonement	16,098	24,886
Analysis		
Current	12,836	
Prior years	3,262	
	<u>16,098</u>	<u>-</u>

Excess to personnel budget = R2,824m. Rental of buildings = R10,012m

22. Senior management personnel

The aggregate compensation of the senior management of the department and the number of individuals determined on a full time equivalent basis receiving compensation within this category, showing separately major classes of key management personnel and including a description of each class for the current period and the comparative period. Detail on each type of compensation should be disclosed.

	Note	2004/05 R'000	2003/04 R'000
-The Minister, Deputy Ministers, Director-General		767	
-Deputy Director Generals		165	560
Chief Directors		1,019	1,467
Directors		5,705	6,339
		<u>7,656</u>	<u>8,366</u>

North West – Department of Social Development

Annexures to the Annual Financial Statements

for the year ended 31 March 2005

North West - Department of Social Development

Annexures to the Annual Financial Statements
for the year ended 31 March 2005ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION				SPENT			2003/04	
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Amount received by department R'000	Amount spent by department R'000	% of Available funds spent by department %	Division of Revenue Act R'000	Amount spent by departments R'000
Child Support Extension-NDSD	416,186	12,221		428,407	428,407	341,119	79.6%	136,387	113,945
HIV/AIDS-NDSD	8,070	623		8,693	8,693	8,539	98.2%	7,580	6,957
Food Relief (NFES)-NDSD	41,615	1,052		42,667	42,667	21,312	49.9%	41,615	40,563
Resolution 11 back pay				-			0.0%	31,943	18,618
Financial Management				-			0.0%	607	-
(NDSD - National Department of Social Development)				-			0.0%		
	465,871	13,896	-	479,767	479,767	370,970		218,132	180,083

Reasons for underspending

Child Support Extension

Reasons : Late registration of Child Extension Grant

Corrective measures : Intensified campaigns via media and roadshows in rural villages and farms

Food Relief

Reason : Late award of the National NFES tender

Corrective Measure : The department applied for and was granted a roll-over

North West - Department of Social Development

Annexures to the Annual Financial Statements
for the year ended 31 March 2005ANNEXURE 1C
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES										
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2003/04	
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	Amount received by municipality R'000	Amount spent by municipality R'000		% of available funds spent by municipality %
Bojanala, Central, Bophirima & Southern District Councils	491			491	1,684	343.0%			0.0%	6,940
	491	-	-	-	1,684	0.0%	-	-	0.0%	6,940

- List each grant per department from whom received
- Explain reasons for understanding, should actual be less than 90 percent, what corrective steps were taken, mention early warning report on corrective steps as a result and whether or not an application has been made for a roll over.

North West - Department of Social Development

Annexures to the Annual Financial Statements
for the year ended 31 March 2005ANNEXURE 1D
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER			2003/04
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	Final Appropriation Act R'000	
Arts & Culture Inst.				-		0.0%	27,757	
Sports Institutions				-		0.0%	9,092	
				-		0.0%		
	-	-	-	-	-		36,849	

- List each grant per department from whom received

- Explain reasons for understanding, should actual be less than 90 percent, what corrective steps were taken, mention early warning report on corrective steps as a result and whether or not an application has been made for a roll over.

North West - Department of Social Development

Annexures to the Annual Financial Statements
for the year ended 31 March 2005ANNEXURE 1H
STATEMENT OF TRANSFERS/SUBSIDIES TO NON-PROFIT INSTITUTIONS

NON PROFIT ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2003/04 Final Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Transferred %	
Transfers							
Non-Profit Institutions	62,093	-	-	62,093	-	0.0%	
					42,423	0.0%	
						68.3%	49,171
						0.0%	
	62,093	-	-	62,093	42,423		49,171
Subsidies							
Welfare Institutions	39,684.00	-	-	39,684	39,506	99.6%	37,428
						0.0%	
	39,684	-	-	39,684	39,506		37,428
	101,777	-	-	101,777	81,929		86,599
TOTAL							

North West - Department of Social Development

Annexures to the Annual Financial Statements
for the year ended 31 March 2005ANNEXURE 11
STATEMENT OF TRANSFERS/SUBSIDIES TO HOUSEHOLDS

NON PROFIT ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2003/04 Final Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Transferred %	
Transfers							
Social Pensions	3,589,131	10,021	210,000	3,809,152	3,756,142	98.6%	3,043,322
	3,589,131	10,021	210,000	3,809,152	3,756,142		3,043,322
Total	3,589,131	10,021	210,000	3,809,152	3,756,142		3,043,322

- List by major category

North West - Department of Social Development

Annexures to the Annual Financial Statements
for the year ended 31 March 2005

ANNEXURE 1L

STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT FOR THE YEAR ENDED 31 MARCH 2005

Grant Type	Apr 2004 R'000	May 2004 R'000	Jun 2004 R'000	Jul 2004 R'000	Aug 2004 R'000	Sept 2004 R'000	Oct 2004 R'000	Nov 2004 R'000	Dec 2004 R'000	Jan 2005 R'000	Feb 2005 R'000	Mar 2005 R'000	Total R'000
Old age	133,126	132,475	136,896	135,741	133,050	137,144	133,260	134,416	136,909	135,914	137,530	139,669	1,626,130
War Veterans	87	89	92	91	90	87	85	87	85	86	89	92	1,060
Disability	75,997	77,303	83,245	85,775	84,340	92,751	85,847	71,650	69,859	71,533	90,180	94,011	982,491
Grant in Aid	-	-	-	-	347	438	280	295	295	338	383	1,818	4,194
Foster Care	8,135	7,210	8,952	9,765	8,574	9,808	9,726	8,075	8,381	9,282	12,494	16,547	116,949
Care Dependency	4,913	4,793	5,153	5,326	5,044	5,757	5,255	4,794	4,775	5,439	5,531	7,238	64,018
Child Support Grant	71,489	64,806	75,546	80,739	75,982	92,067	83,977	79,250	86,043	74,951	78,881	97,569	961,300
	293,747	286,676	309,884	317,437	307,427	338,052	318,430	298,567	306,347	297,543	325,088	356,944	3,756,142

ANNEXURE 3
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2005 - LOCAL

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North West - Department of Social Development

Annexures to the Annual Financial Statements
for the year ended 31 March 2005ANNEXURE 4
PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2005

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers Out R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	-	12,994	-	-	-	12,994
Computer equipment	-	1,872			-	1,872
Furniture and office equipment	-	2,648			-	2,648
Other machinery and equipment	-	519			-	519
Specialised military assets	-					-
Transport assets	-	7,955				7,955
	-	12,994	-	-	-	12,994

ANNEXURE 4 (continued)
PHYSICAL ASSET MOVEMENT SCHEDULE AS AT 31 MARCH 2004

	Opening Balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers Out R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	6,800	-	-	6,800	-
Dwellings						-
Non-residential buildings	-	800			800	-
Other structures (Infrastructure assets)	-	6,000			6,000	-
Capital work in progress	-				-	-
Heritage assets						-
MACHINERY AND EQUIPMENT	-	9,036	-	-	9,036	-
Computer equipment	-	3,927			3,927	-
Furniture and office equipment	-	2,741			2,741	-
Other machinery and equipment	-	1,087			1,087	-
Specialised military assets	-					-
Transport assets	-	1,281			1,281	-
BIOLOGICAL OR CULTIVATED ASSETS						-
	-	15,836	-	-	15,836	-

This is a movement schedule as at 1 March 2003

Disposals only relate to amounts included in the opening balances and the additions columns. If you have a disposal, the amount written off should be equivalent to the carrying value of the asset.

North West - Department of Social Development

Annexures to the Annual Financial Statements for the year ended 31 March 2005

ANNEXURE 7

INTER-DEPARTMENTAL PAYABLES – CURRENT

GOVERNMENT ENTITY	confirmed balance		unconfirmed balance	
	31/03/2005	31/03/2004	31/03/2005	31/03/2004
	R'000	R'000	R'000	R'000
Department				
Amounts not				
included in				
Statement of				
financial				
position				
Current				
Department of	115		103	890
Justice				
Subtotal	115	-	103	890
Non-current				
Subtotal	-	-	-	-
Total	115	-	103	890



5. HUMAN RESOURCE MANAGEMENT

TABLE 3.1 – Employment and vacancies by programme, 31 March 2005

Programmes	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Office of the MEC		-	-	
Directorate Office of the MEC	6	6	-	
Media, Communication and Information Management	10	9	1	-
Policy Research and Planning	9	8	1	-
Legal Services	3	3	0	-
Office of the DDG	6	3	3	
Chief Directorate Social Services	9	3	6	
Social Work Programmes	1 398	694	704	-
Social Security	479	438	41	-
Social Development	130	57	73	-
Corporate Services				
Financial Management	134	38	96	-
Human Resource	97	57	40	-
Procurement and Asset Management	16	16	0	-
Support Services	74	40	34	
Total	2 371	1 369	1 002	

TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2005

Salary band	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	14	-	
Skilled (Levels 3-5)	211	-	
Highly skilled production (Levels 6-8)	11	-	
Highly skilled supervision (Levels 9-12)			
Senior management (Levels 13-16)	2		
Total	238	-	

TABLE 3.3 _ Employment and vacancies by critical occupation, 31 March 2005

Critical Occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Highly skilled supervision (Levels 9-12)		2		
Senior management (Levels 13-16)		2		
Total		4		

The information in each case reflects the situation as at 31 March 2005. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.

4 – Job Evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (Table 4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

TABLE 4.1- Job Evaluation, 1 April 2004 to 31 March 2005

The department of Social Development did not have any jobs evaluated during the financial year.

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

TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2004 to 31 March 2005

Beneficiaries	African	Asian	Coloured	White	Total
Female	8	-	1	-	9
Male	-	-	-	-	
Total	8	-	1	-	9

Employees with a disability

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

TABLE 4.3 – Employees whose salary levels exceed the grade determined by job evaluation, 1 April 2004 to 31 March 2005 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Secretaries	9	4	67 887	No PA's for Directors
Snr. Legal Admin Officer	1	13	427 497	Upgrading

Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2004/ 05
Percentage of total employment

Table 4.4 summarises the beneficiaries of the above in terms of race, gender, and disability.

TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2004 to 31 March 2005 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	8	-	1	-	9
Male	1	-	-	-	1
Total	9	-	1	-	10

Employees with a disability

There were no employees where the remuneration bands exceeded the grade determined by job evaluation, use the following table as TABLE 4.3]

Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2004/ 05:
None

5 – Employment Changes

This section provides information on changes in employment over the financial year.

Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2). (These "critical occupations" should be the same as those listed in Table 3.3)

TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2004 to 31 March 2005

Salary Band	Number of employees per band as on 1 April 2004	Appointments and transfers into the department	Transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	347	14	8	2.3
Skilled (Levels 3-5)	271	211	3	1.1
Highly skilled production(Levels 6-8)	628	11	7	1.1
Highly skilled supervision(Levels 9-12)	104	6	4	3.8
Senior Management Service Band A	15	0	4	33.33
Senior Management Service Band B	3	0	0	0
Senior Management Service Band C	1	0	0	0
Senior Management Service Band D				
Total	1369	242	24	1.8

TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2004 to 31 March 2005

Salary Band	Number of employees per occupation as on 1 April 2004	Appointments and transfers into the department	Terminations out of the department	Turnover rate
Senior Management Service Band A	12	2	4	33.33%
Total	12	2	4	33.33%

Table 5.3 – Reasons why staff are leaving the department

Termination Type	Number	% of total
Death	3	12.5
Resignation	7	29.2
Expiry of contract	3	12.5
Dismissal _ operational changes	1	4.2
Dismissal _ misconduct	2	8.3
Dismissal _ inefficiency	8.3	
Discharged due to ill-health	-	-
Retirement	8	33.3
Transfers to other Public Service Departments	24	100
Other	-	-
Total	24	100

Total number of employees who left as a % of the total employment 1.8%

Table 5.4 – Promotions by critical occupation

Occupation:	Employees as at 1 April 2004	Promotions to another salary level	Salary level promotions as a % of employee by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Highly skilled production (Levels 6-8)	628	4	0.6%	7	1.1%-
Highly skilled supervision (Levels 9-12)	104	98.7%	3	2.9%	
Senior Management Service Band A	16	0	-	0	-
Total	0	0	0	0	

Table 5.5 – Promotions by salary band

Salary Band	Employees 1 April 2004	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions employees by salary as a % of band
Lower skilled (Levels 1-2)	347	0	0	7	2
Skilled (Levels 3-5)	271	2	0.7	5	1.8
Highly skilled production (Levels 6-8)	628	4	0.6	7	1.1
Highly skilled supervision (Levels 9-12)	104	9	8.7	3	2.9
Senior management (Levels 13-16)	19	-	0	0	0
Total	1369	15	11	22	1.6

6 – Human Resource Development

6.7 Skills Development for the period 1 April 2004 to 31 March 2005

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	14	1	1	0	0	0	0	0	16
Professionals	329	0	0	0	399	4	0	0	732
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	118	4	0	0	133	16	0	0	271
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	146	10	0	0	180	14	0	0	350
Total	607	15	1	0	712	34	0	0	1369
Employees with disabilities	3	0	0	0	0	0	0	0	3

12 - Skills development

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

12.1 Training provided 1 April 2004 to 31 March 2005

Occupational Categories	Gender	Number of employees as at 1 April 2004	Training Provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	6	0	6		6
	Male	10	0	10		10
Professionals	Female	403	0	403		403
	Male	329	0	329		329
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	149	0	9	22	31
	Male	122	0	7	22	29
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	194	0	0	55	55
	Male	156	0	0	30	30
Sub Total	Female	752	0	418	77	495
	Male	617	0	346	52	398
Total		1369	0	764	129	893

12.2 Training Identified 1 April 2004 to 31 March 2005

Occupational Categories	Gender	Number of employees as at 1 April 2004	Training needs identified at start of reporting period			
			Learner -ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, Senior Officials and Managers	Female	6	0	Financial Man Policy Dev Project Mng Change Mng Strategic Mng	PMDS	6
	Male	10	0	Financial Man Policy Dev Project Mng Change Mng Strategic Mng	PMDS	10
Professionals	Female	403	0	Financial Mng Policy Dev Project Mng Change Mng Strategic Mng	PMDS	403
	Male	329	0	Financial Man Policy Dev Project Mng Change Mng Strategic Mng	PMDS	329
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	149	0	Supply Chain Mng Secretariat	Computer/IT PMDS	403 31
	Male	122	0	Supply Chain	PMDS	29
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	194	0	ABET	PMDS	55
	Male	156	0	ABET	PMDS	30
Sub Total	Female	752	0	0	0	495
	Male	617	0	0	0	398
Total		1 369				893

Labour Relations

The following table summarizes the outcome of disciplinary hearings conducted within the department for the year under review.

TABLE 11.2 – Misconduct and disciplinary hearings finalized, 1 April 2004 to 31 March 2005

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	
Verbal warning	0	
Written warning	3	30%
Final written warning	4	40%
Suspended without pay	1	10%
Fine		
Demotion		
Dismissal	2	20%
Not guilty		
Case withdrawn		
Total	10	100%

If there were no disciplinary hearings, then use the following table

Disciplinary hearings – 2004/ 05	% of total
Correctional counselling	2
Written warning	1
Final written warning	5
Total	8

TABLE 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Misuse of state property (vehicles, cellphone)	2	20%
Fraud, corruption & bribery	5	50%
Sexual harassment	1	10%
Unauthorised leave	1	10%
Misuse of state funds	1	10%
Total	10	100%

TABLE 11.4 – Grievances lodged for the period 1 April 2004 to 31 March 2005

	Number	% of Total
Number of grievances resolved	7	50%
Number of grievances not resolved	7	50%
Total number of grievances lodged	14	100%

TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2004 to 31 March 2005

	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	6	100%
Total number of disputes lodged	6	100%

TABLE 11.6 – Strike actions for the period 1 April 2004 to 31 March 2005

Total number of person working days lost	243
Total cost (R'000) of working days lost	R32 846. 21
Amount (R'000) recovered as a result of no work no pay	R32 846. 21

TABLE 11.7 – Precautionary suspensions for the period 1 April 2004 to 31 March 2005

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

6 – Employment Equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2005

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	8	1	1	0	4	1	1	0	16
Professionals	403	0	0	0	329	0	0	0	732
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	110	3	0	9	133	5	1	10	271
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	156	0	0	0	194	0	0	0	350
Total	677	4	1	9	662	6	2	10	1369
Non Permanent Employees	4	0	0	0	12	0	0	0	16
Total	681	4	0	9	674	6	2	10	1385

6.1 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	8	1	1	0	5	0	0	0	15
Professionally qualified and experienced specialists and mid-management	329	0	0	0	403	0	0	0	732
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	110	3	0	9	133	5	1	10	271
Semi-skilled and discretionary decision making									
Unskilled and defined decision making	156		194		350				
Total	604	4	1	9	735	5	1	10	1369