

9:30	Break Time	Break Time	Break Time	Break Time	Break Time
10:00	Exercise	Exercise	Exercise	Exercise	Exercise
10:30	Exercise	Exercise	Exercise	Exercise	Exercise
11:00	Exercise	Exercise	Exercise	Exercise	Exercise
11:30	Exercise	Exercise	Exercise	Exercise	Exercise
12:00	Exercise	Exercise	Exercise	Exercise	Exercise
12:30	Exercise	Exercise	Exercise	Exercise	Exercise
13:00	Exercise	Exercise	Exercise	Exercise	Exercise
13:30	Exercise	Exercise	Exercise	Exercise	Exercise
14:00	Exercise	Exercise	Exercise	Exercise	Exercise
14:30	Exercise	Exercise	Exercise	Exercise	Exercise
15:00	Exercise	Exercise	Exercise	Exercise	Exercise
15:30	Exercise	Exercise	Exercise	Exercise	Exercise
16:00	Exercise	Exercise	Exercise	Exercise	Exercise
16:30	Exercise	Exercise	Exercise	Exercise	Exercise
17:00	Exercise	Exercise	Exercise	Exercise	Exercise
17:30	Exercise	Exercise	Exercise	Exercise	Exercise
18:00	Exercise	Exercise	Exercise	Exercise	Exercise



**Department
of HEALTH and
SOCIAL SERVICES**

ANNUAL REPORT

2005/6

SOCIAL COMPONENT

Mpumalanga Provincial Government



**Mpumalanga
Provincial
Government**

**Department
of HEALTH and
SOCIAL SERVICES**

**ANNUAL REPORT
2005/6**

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SOCIAL SERVICES



LIST OF ACRONYMS

AIDS	ACQUIRED IMMUNE DEFICIENCY SYNDROME
BAS	BASIC ACCOUNTING SYSTEM
CBOS	COMMUNITY BASED ORGANIZATIONS
CHBC	COMMUNITY HOME BASED CARE
CSG	CHILD SUPPORT GRANT
DOE	DEPARTMENT OF EDUCATION
DORA	DIVISION OF REVENUE ACT
DPSA	DEPARTMENT OF PUBLIC SERVICE
DTUS	DEPARTMENTAL TRANSFORMATION UNITS
EAP	EMPLOYEE ASSISTANCE PROGRAMME
ECD	EARLY CHILDHOOD DEVELOPMENT
EE	EMPLOYMENT EQUITY
EPWP	EXPANDED PUBLIC WORKS PROGRAMME
EXCO	EXECUTIVE COUNCIL
HIV	HUMAN IMMUNODEFICIENCY VIRUS
HOD	HEAD OF DEPARTMENT
HWSETA	HEALTH AND WELFARE SECTOR EDUCATION AND TRAINING AGENCY
IDPS	INTEGRATED DEVELOPMENT PLANS
ISDSG	INTEGRATED SOCIAL DEVELOPMENT SERVICE GRANT
ISRDP	INTEGRATED SUSTAINABLE RURAL AND DEVELOPMENT PROGRAMME
IT	INFORMATION TECHNOLOGY
MEC	MEMBER OF EXECUTIVE COUNCIL
MINMEC	MEETING OF MINISTER AND MEC'S
MOA	MEMORANDUM OF AGREEMENT
MOU	MEMORANDUM OF UNDERSTANDING
MUNIMEC	MEETING OF MUNICIPALITY AND MEC
NCOP	NATIONAL COUNCIL OF PROVINCES
NDA	NATIONAL DEVELOPMENT AGENCY
NPOS	NON-PROFIT ORGANIZATIONS
PERSAL	INTEGRATED PERSONNEL AND SALARIES SYSTEM
PFMA	PUBLIC FINANCE MANAGEMENT ACT
PGDS	PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY
SAPS	SOUTH AFRICAN POLICE SERVICE
SASSA	SOUTH AFRICAN SOCIAL SECURITY AGENCY
SLA	SERVICE LEVEL AGREEMENT
SOCPEN	SOCIAL PENSION SYSTEM
SONA	STATE OF THE NATION ADDRESS
SOPA	STATE OF THE PROVINCE ADDRESS
TB	TUBERCULOSIS

1. GENERAL INFORMATION



1.1 Submission of the annual report to the Executive Authority

I, Dr. E.T.C Moloko, in my capacity as the Head of Department of Health and Social Services, hereby present to Mr. P.E. Pasha, the MEC for Health and Social Services, the Annual Report for the 2005/06 financial year for the Social Services component. This report gives the Department an opportunity to share with stakeholders, our achievements and challenges as set out in the Strategic Plan for 2005/06 financial year.

DRETC MOLOKO
ACCOUNTING OFFICER



SOCIAL SERVICES



1.2 Introduction by the Head of the Department

There are some major changes that have taken place during the reporting period. These are:

- The migration of Social Assistance to the South African Social Security Agency.
- The review of the budget structure which resulted in the five programmes being scaled down to four for the subsequent years.
- The launch of the Integrated Service Delivery Model for Social Development in November 2005

The Integrated Service Delivery Model for Social Development is a policy framework that was developed through a consultative process involving Departments of Social Development in the provinces and the National Department of Social Development

The model is an integral policy framework that provides for the repositioning of social services. It details the nature, scope, extent, quality and manner in which developmental social services are to be rendered. The model heralds hope and possibilities for expansion of services and improved service delivery.

Some of the gains we have already made towards the realization of the repositioning agenda are:

- Social Workers posts have been re-graded as part of the retention strategy.
- The organisational structure is under review so that it reflects the new budget structure.

We believe this will strengthen administrative and management support at both the district and provincial levels.

A seamless transfer of the Social Security function to the South African Social Security Agency (SASSA) has successfully been completed. The agency took occupation of its new offices at No. 2 Bester Street Nelspruit with effect from the 1st April 2006.

In terms of the extension of the child support grant, we set ourselves a target of reaching two hundred and eight thousand and twenty nine (208 029) children. At the end of 2005/2006 financial year on 31st March 2006, two hundred and seventy nine thousand, nine hundred and thirty (279 930) children between 7-14 years were benefiting from the system. This exceeds the set target by seventy one thousand nine hundred and one (71 901) children. This is due to vigorous registration and awareness campaigns that were conducted.

The Department has developed the *Elder Abuse Register* as a way of protecting our older persons both in residential facilities and within communities as well as tracking the perpetrators. This register is going to assist in getting statistical information on the extent of the problem of elder abuse with the aim of coming up with appropriate intervention strategies.

During the period under review, a total of three hundred and forty eight (348) victims of substance abuse were admitted and treated in both government and non-government facilities within the province, the 35-45 age group has been largely affected by alcohol and dagga abuse.

Efforts to address the needs of orphans and child headed households were strengthened by not only providing material assistance but also giving life skills training. Four hundred and fifty (450) children were empowered to cope with life challenges.

During the year under review we have funded forty five (45) Community Home Based Care



organisations, and trained six hundred and seventy five (675) care givers. Training on HIV and AIDS was also provided to two hundred and fifty (250) older persons and one hundred and fifty (150) people with disabilities.

We have since noted the disparity and capacity gaps between established and emerging Not-For-Profit Organisations (NPOs) and have, as a result embarked on a structured capacity building programme for NPOs.

A total of four hundred and eighty nine (489) NPOs were subsidized. Additional three hundred and eighteen (318) NPOs will be funded in terms of the Financial Awards policy.

1.3 Information on the Office of the Executing Authority

The office of the Executing Authority was involved in various consultative processes with various stakeholders during the period under review. Amongst others the following took place:

- Older Person's Indaba in October 2005 to strategise together with the elderly on how best they can be supported by government. Emanating from the Indaba, an Integrated Provincial Plan of Action was developed and tabled to the Social Sector Cluster. Progress is already evident as some government departments have already started incorporating aspects of the plan of action into their departmental plans.
- To improve the service in Early Childhood Development (ECD) centres, an Integrated Plan on Early Childhood Development was developed in partnership with other key stakeholders within the Social Services Cluster. This is one of the key programmes of the Government Programme of Action linked to the EPWP. We have identified 60 ECD centres with 180 practitioners that will benefit from the EPWP.
- On the 30th March 2005, a Social Sector consultative summit was held. A Provincial Plan of Action which will guide future service level agreements with the NPO sector was developed. One of the critical issues to which the NPO sector was challenged is lack of co-ordination, resulting in uncontrolled mushrooming of organisations in communities within close proximity to each other offering the same services. Better co-ordination will improve the quality of services and maximise the allocation, utilisation and sharing of limited resources.

The Executing Authority undertook the following international visits:

DATE	COUNTRY	PURPOSE
13- 20 August 2005	Angola	<ul style="list-style-type: none">• Follow up on the visit by the Angolan Delegation which visited the Province in May 2005.• Signing of an agreement between South Africa and Angola in terms of the provision of social services.



1.2 Mission statement

To provide and promote integrated quality health and social services in partnership with all stakeholders to ensure healthy lifestyles and reduce poverty in all communities of Mpumalanga.

1.3 Legislative mandate

The core functions of the Department are determined by the following legislation:

Aged persons Act, 1967:

This act provides the protection and welfare of certain aged and debilitated persons, for the care of their interests, for the establishment and registration of certain institutions and for the accommodation and care of aged 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 repeal certain discriminatory provisions, amongst others, and, in November 1998, to provide for the establishment of management committees for the homes of the aged, to require reporting on the abuse of aged persons and to regulate the prevention of the abuse of aged persons. The Older Persons Bill was tabled in 2003 and passed at the National Council of Provinces (NCOP) in 2005. The amendments by the NCOP are before the National Assembly Portfolio Committee for Social Development for consideration and report. The Department has costed the Older Persons Bill.

Fund-raising Act, 1978:

The fund-raising Act, 1978, that provided for the 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 Non-Profit Organisations Act, 1997. The Department is in the process of amending the remaining part of the Act.

Social Service Professions Act, 1978:

This Act, formerly known as the Social Work Act, provides for the establishment of the Social African Council of Social Work and defines its powers and functions. The Act was amended on a number of occasions in 1995 to provide for the establishment of the South African Interim Council for Social Work and for the rationalisation of certain laws regarding 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 in the country. The 1998 amendment established the South African Council for Social Service Professions and professional boards for social service professions.

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 the children and for the registration of shelters. The 1998 amendment provided for the rights of certain natural fathers, where the adoption of their children born out-of- wedlock has been proposed and for certain



notice to be given. 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 is currently preparing new comprehensive children's legislation. The Discussion Paper to develop comprehensive new Child Care legislation has been finalised.

A comprehensive Children's Bill was tabled in 2003

Probation Service Act, 1991:

This Act provides for the establishment and implementation of programmes aimed at combating 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 Amendment 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 systems and provides amongst other provisions for:

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

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 their detention, treatment and training in such treatment centres or registration 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. The legislation will be reviewed during this period.

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, equality of access, 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 the panel, so that they can qualify for the grant.
- The income level for the means test to qualify for the Care Dependency Grant has been increased. Applicants 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.
- The 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 2003/4 financial year.

Children under the age of 11 years qualified in the 2004/05 financial year and children under the age of 14-years qualified in the 2005/06 financial year.

These amendments required people to be properly informed about any decisions made with respect to their grants.

Social Assistance Act, 2004:

A new Social Assistance Act, No 13 of 2004 has been signed into law by the President and will soon become operational. The Social Assistance Act of 2004 continues to provide the legislative framework for the provision of social assistance grants, in the main, but excludes the provisions for funding to Non-Profit Organisations.

The Act also provides the legal instrument for shifting the social assistance function to the national sphere of government and provides for the South African Social Security Agency to render the management and administration of social grants.

Non-Profit Organisations Act, 1997:

This Act repealed the fund-raising Act, 1997, excluding the chapter which deals with relief funds and provided for an environment in which Non-Profit Organisations can flourish. The Act also established an administrative and regulatory framework within which Non-Profit Organisations can conduct their affairs. The Act was amended in 2000 to effect certain textual alterations.

National Development Agency Act, 1998:

The National Development Agency Act, 1998 provides for a national funding, capacity-building and coordination structures known as the National Development Agency (NDA). The NDA is mandated to

grant funds to Civil Society Organisations (CSO) enhance capacity and promote development dialogue, while also meeting the developmental needs of poor communities.

Advisory Board on Social Development Act, 2001:

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

White Paper for Social Welfare (1997):

The white paper sets out the principles, guidelines, proposed policies and programmes for developmental social welfare in South Africa. As the primary policy document, the White Paper serves as the foundation for social welfare in the post 1994 era.

White Paper Population Policy for South Africa (1998):

The white Paper aims to promote sustainable human development and quality of life for 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 its 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.

Domestic Violence Act, 1998:

Provincial Social Workers and lay councillors require training in the implementation of the Domestic Violence Act. The National Development is participating in the development of an integrated manual on the Domestic Violence Act, which will be used to jointly train Social Workers, the police and court personnel.

South African Social Security Agency Act, 2001:

The South African Social Security Act, 2004 (Act No. 9 of 2004) makes provision for the establishment of the South African Social Security Agency, and the management and administration of the delivery and payment of social grants by the South African Social Security Agency. This Act relates to the Minister's 10 point plan an integrated and comprehensive social security system. The Act came into operation and established the Agency as a legal entity in November 2004.

Policy on Financial Awards to Service Providers (2004):

The policy was approved by Social Development MINMEC in October 2004. It is aimed at the transformation and streamlining of social welfare services provided by civil society organisations funded by the Department. The policy provides guidelines for the delivery of efficient and effective services and ensures the accountability of service providers to the Department and the community.





2. PROGRAMME PERFORMANCE

2.1 Voted Funds

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
4, 003, 109	4, 021, 012	4, 033, 109	3, 926, 648	106, 461
Responsible MEC	MEC for Health and Social Services			
Administering Department	Department of Health and Social Services			
Accounting Officer	Deputy Director-General for Health and Social Services			

2.2 Aim of the Vote

A transformed social services system which facilitates the protection, development and empowerment of human capacity and self reliance contributing to a caring and enabling socio-economic environment.

2.3 Summary of programmes

In line with Treasury guidelines, the Department aligned its self to a uniform budget and programme structure that reflect the minimum number of programmes. The activities of the Department of the Department are organised in the following five programmes:

Programme 1: Administration

Aim: To provide management and support services at all levels of the Department i.e. provincial, district and facility/institutional level.

It should be highlighted that this programme had shared services between the two components of Health and Social Services as well as SASSA for the better part of the financial year. During the course of the year, two votes were created for the Department of Health and Social Services. Vote 11 become votes 10 and 13, Social Services being Vote 13. This development assisted in terms of reporting to Treasury as well as to the National Departments respectively.

Financial management

This section worked very hard in ensuring effective and efficient financial management of the three separate accounts of the department, for vote 10, 13 and SASSA.

- Some improvement was also witnessed with the spending of conditional grants as a result of constant monitoring of budget and expenditure.
- Reporting requirements in terms of Section 40 (c) of the PFMA were met.
- Financial delegations which included amongst others procurement to a certain limit, ensured that the purchase of services is expedited.

This section needs further strengthening at both provincial and district level especially within the Supply Chain Unit

Human Resource Management

Despite having staff constraint within the unit, the Department made some progress in the recruitment of personnel viz:

- Thirty eight (38) Social Workers, fourteen (14) Community Liaison Officers and thirty (30) administrative support staff have been appointed.
- Eighty one (81) additional posts in various categories of staff have been advertised and are in the process of being filled.

During the period under review the following policies were reviewed:

- Leave policy.
- Resettlement policy.
- Incentive policy.
- The bursary policy: is now responding to the needs of the Department more appropriately. As a result of this review more bursaries were awarded to social work students as another way of recruiting and retaining Social Workers in the province.

Draft human resource delegations were also developed and finalised for implementation in the next financial year. The review of the departmental organizational structure is at an advanced stage, though it has taken longer than anticipated to be finalized.

In terms of the EAP programme great strides were made regarding awareness and support to personnel. This was mostly evidenced by a number of sessions and workshops conducted in preparing personnel for the migration to SASSA. This Unit however needs to be strengthened and capacitated as there is growing demands of these services.

Internal Audit

The purpose of the internal audit unit is to independently provide an objective assurance and consulting activity designed to add value and improve the department's operations. It helps the Department accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The unit supported the health, social services and SASSA components during the 2005/6 financial year. During the year under review risk based internal audit assignments were conducted on 24 audit areas as per the approved operational plan. Fraud prevention strategies were implemented including workshops on The Prevention and Combating of Corrupt Activities Act.

The unit conducted special investigations on 20 cases of unethical behaviour reported via the National Hotline and 12 cases of unethical behaviour reported through the Head of the Department.





The Audit Committee was in place during the year under review and held three meetings. Documents submitted to the committee for review are: internal audit reports, annual financial statements, Internal Audit Charter, Audit Committee Charter, Auditor-General's planning memorandum, and one year internal audit operational plan and three year strategic plan.

The senior managers of the Department were required to declare their financial interests by signing the financial disclosure forms. Members of the Bid Adjudication Committee were required to disclose their interests in the award of bid contracts wherein they participated.

Loss of senior staff to other Departments which subsequently led to the delay in completion of the operational plan was a challenge to the Unit, however consultants were seconded (as per approval of the audit committee) to assist with the operational plan.

Strategic planning

The strategic planning component provides strategic technical advice to the Department as well as ensuring that monitoring and evaluation of plans is done.

Consultative strategic planning processes were undertaken in the three District offices including the Provincial office wherein all relevant programme managers participated. This eventually led to the production of the strategic plan document for the Department and submission thereof to Treasury.

Subsequently the operational plan was then developed and submitted to Treasury, and the same consultative process was followed with the three District offices as well as Provincial Office.

In fulfilling the function of monitoring and evaluation, feedback sessions were held at three districts and Provincial office on the performance of the Department. Emphasis was placed on the gaps and challenges reflected on the quarterly performance reports, which were submitted to the Premier's office.

In ensuring alignment between strategic plan with policy mandates and other directives, progressive reports were compiled on the following:

- State of the Nation Address (SONA)
- State of Province Address (SOPA)
- Municipal Integrated Development Plans (IDPs)
- Provincial Growth and Development Strategy (PGDS)
- Integrated Sustainable Rural and Development Programme (ISRDP)
- Executive Council outreach reports
- Programme of Action for Social Sector cluster

The greatest challenge faced by this Unit is that it is operating on skeleton staff which makes it difficult for the Unit to perform its duties effectively and efficiently.

Communication

The communication component is responsible for liaison between communities and the Department through use of different forms of media.

The Communication Section of the Department had to a large extent managed to execute its mandate of improving the corporate image of the Department. This was done through fusing Public Relations exercises with the support of the Health and Social Development Programmes.

Publications such as newsletters and website are still a challenge owing to an inadequate of capacity. This will be a clear focus of the section in the next financial year.

The Department has successfully managed to reposition itself in terms of clear corporate image, taking into account its corporate colours and letterheads.

Gender and Transformation

This Unit conducted a number of capacity building programmes targeting various stakeholders. Amongst others the following was undertaken:

- Training of DTU's on the content of the National Gender Policy Guidelines.
- Training on the eight key priority areas of the public service transformation.

Sixteen days of activism on no violence against women and children was observed in all the three districts focusing on;

- Domestic violence,
- Sexual harassment in the work place and,
- Charges on sexual harassment offences.

Specific departmental service standards were developed and approved after consultation with various Units.

Facility Management

This area has not been receiving proper attention in terms of resources, both human and financial.

There is a backlog in the provision of offices and facilities for the component which counter acts all the efforts to decentralize services.

For the next financial year the Department allocated additional resources in an attempt to address the huge backlog.



Table 1: Programme 1: Administration

Key Measurable Objective	Performance Measure	2004/05 (Estimate)	2005/06 (Target)	2005/06 (Actual)
Programme 1 : Administration				
1. Office of the MEC				
To develop and maintain a cordial relationship between the Department and its various stakeholders	Attend Executive outreach programmes	No targets set	No targets set	Attended EXCO outreach in Nkomazi, Govan Mbeki, Emalahleni, Mbombela, Msukaligwa, Mkhondo, Pixley-KaSeme, Emakhazeni, Greater Marble Hall and Greater Groblersdal
	Attend MUNIMEC Meeting	No targets set	No targets set	Attended two MUNMEC meetings in Witbank and one in Nelspruit.
	Attend provincial and national meetings	No targets set	No targets set	Attended Social Development MINMEC, Accompanied National Deputy Minister to Angola
	Attend Stakeholder meetings as invited and arranged	No targets set	No targets set	Attended meetings with DPSA, Provincial House of Traditional Leaders, Moral Regeneration Movement in the Province.
2. Corporate Management				
Financial Management				
To ensure effective and efficient financial management	% Over and under expenditure in terms of the approved budget plan	1% Under expenditure	1% Under expenditure	3% under expenditure

Key Measurable Objective	Performance Measure	2004/05 (Estimate)	2005/06 (Target)	2005/06 (Actual)
Human Resource Management				
To implement good people management practices	% Completion of a recruitment and retention strategy.	100% completion Recruitment and retention strategy implemented	100% completion Recruitment and retention strategy implemented	Recruitment Policy developed and implemented
	% Completion of a Performance Management System	100% completion Performance Management System implemented	Monitor the reviews and the personnel development	Reviews and personnel development system monitored
	% Completion of EE Plan and Policy	Situational Analysis Report	EE Plan and Policy implemented	EE Plan and policy implemented
	% Completion of a EAP Strategy	EAP Strategy 100% completed	Liaise with EAP service providers for referrals	Draft EAP policy in circulation
	% Completion of the Labour Relations Strategy	100% completion Labour Relations Strategy developed and implemented	100% completion communication and implement	Draft Labour Relations strategy in circulation
To develop a capacity building and development programme for improving skills, competency and performance	% Completion of the Skills Development Plan	Skills Audit Report	Skills Audit Report	Skills development plan completed (WSP) submitted to HWSETA
	Training Programme	Training conducted	Training conducted	Training conducted to various categories of staff
To implement the transformation processes	Mainstream gender, youth and disability in all policies, procedures and practices	Situational Analysis Report Policy and Programme Audit	Service Standard developed	Service standards developed and adopted by senior management
Legal Services				
To provide professional and efficient administrative and management support services	Number of SLA's completed with all programmes	100% Development of 12 SLA's	100% Implementation of 12 SLA's	15 SLA's drafted finalized application on amnesty for Social Security matters

Key Measurable Objective	Performance Measure	2004/05 (Estimate)	2005/06 (Target)	2005/06 (Actual)
Information Management and Technology				
To develop and implement Information Management Practices and Systems	% Completion of the Information Management Strategy	Information Audit report	Develop and Implement the Information Management Strategy	Not developed but planned for 2006/07
	% Completion of the Information Management Policy	Develop Information Management Draft Policy	Implement Information Management Policy	Not developed but planned for 2006/07
	% Completion of the Information Technology Strategy	Situational Analysis Report	Develop Strategic Information Technology Strategy	Not developed but planned for 2006/07
	% Completion of the Information System Strategy	Situational Analysis Report	Develop and Implement the Information System Strategy	MISP implemented but has to be reviewed
Communication				
To develop and implement a Communication Strategy	% Completion	100% Development and implementation	100% Implementation	Draft communication strategy developed
Internal Audit and Risk Management				
To implement the fraud prevention and risk management plan	Implementation of the Fraud Prevention Plan components	Establishment of the alternative reporting	Roll-out Strategic risk management plan	Strategic risk management plan not developed by post of a risk manager advertised

Key Measurable Objective	Performance Measure	2004/05 (Estimate)	2005/06 (Target)	2005/06 (Actual)
Strategic Planning				
To manage legislation, policy development, planning and implementation	Departmental Strategic Plans	Strategic plan document submitted to Treasury	Strategic plan document submitted to Treasury	3 District and 2 Provincial planning sessions conducted. Strategic plan document submitted to Treasury
	Annual report	Annual report submitted to Auditor General	Annual report submitted to Auditor General	Annual report submitted to Auditor General
	Monthly quarterly and midterm reports	Monthly, quarterly and mid term report completed	Monthly and quarterly and mid term report completed	Monthly and quarterly and mid-term reports completed
General Administration				
To manage legislation, policy development, planning and implementation	Number of legislation and policies effectively developed and implemented	Realign the administrative processes for the newly established department	Filing systems developed and piloted	Different filing systems investigated
3. District and Sub District level				
To provide for the decentralisation and management of services at the District and Sub District level	Number of fully functional District and Sub- District offices	19 Offices	19 Offices	21 offices



Programme 2: Social Assistance

Aim: To provide the administration and disbursement of Social Assistance Grants and relief of distress to address vulnerability.

The South African Social Security Agency Act of 2004 has been promulgated and it became operational with effect from the 1 April 2005. The South African Social Security Agency provides legislative framework for establishment of a focused specialist institution for provision of social security services.

The Social Assistance Act of 2004 has been assented to by the President, however, this act is not yet in operation and Act 59 and its regulations continue to be applicable in the Province.

The recruitment process by the Social Security component resulted in the appointment and enhancement of personnel. However, the component experienced challenges in terms of support staff. The creation of separate Social Security transversal systems coupled with lack of support staff impacted negatively on the expenditure of the administration allocation.

The Department intensified registration and awareness campaigns in an endeavour to increase access to social grants, targeting mostly farming communities and deep rural areas. This is evidenced by a rapid increase in the number of beneficiaries accessing the Child Support Grant Extension whereby 279,930 children accessed the grant, exceeding the annual target of 208,029.

The component continued with its efforts to terminate all the disability grant cases that were accessing the benefit unlawfully. Through the amnesty process 6,067 beneficiaries who were unlawfully accessing social grants were terminated from the system.

Efforts by the Department to ensure a seamless transition to the South African Social Security Agency paid dividend, through the Memorandum of Understanding (MOU) which was signed between the National Minister and the MEC. The readiness criteria relating to inter-alia, establishment of a Departmental project team, ring fencing process, creation of transversal systems (BAS, LOGIS and PERSAL), opening a new separate bank account, development of a new organisational structure, development of an asset register and procurement of a building for the regional office were successfully met. The validation process conducted by the National Department of Social Development ranked Mpumalanga number two in terms of readiness.

Key Measurable Objective	Performance Measure	2004/05 (Actual)	2005/06 (Target)	2005/06 (Actual)
1. Accessibility and availability of social grants, and the extension of Child Support Grant				
To increase accessibility of all social grants	The % accessibility of service points in compliance with the norms and standards	0%	50%	60%
	Extension of services to farms through service points	24 Service points	13 Service points	13 Service points
	Lead time for processing of new applications from date of application to date of award	41 Working days	35 Working days	33 Working days
	Social Relief issued	5	5	1,399
	Average number of beneficiaries per pay-point per day	1,000 Beneficiaries	1,000 Beneficiaries	1,000 Beneficiaries
	% Pay- points and buildings that comply with infrastructure requirements	36%	45%	60%
To pay social grants to parents of disabled children under the age of 18 years, who require full time, care at home.	Care Dependency	6,203	4,777	4,440
To pay social grants to primary caregivers of children in terms of Social Assistance legislation.	Child Support Grant (0-6)	323,631	298,234	309,240
	Child Support Grant Extension (7-14)		208,029	279,930
To pay social grants to persons with disabilities in terms of Social Assistance legislation, payable to persons over the age of 18 years who are medically diagnosed as being physically and	Disability	74,973	83,500	71,434
To pay social grants to legal foster parents of children under the age of 18 years, in terms of the Social Assistance Act, 1992	Foster Care	11,255	16,259	16,223

Key Measurable Objective	Performance Measure	2004/05 (Estimate)	2005/06 (Target)	2005/06 (Actual)
To pay social grants to persons who are in receipt of old age, disability, and war veterans grants who are unable to care for themselves in terms of the Social Assistance Act, 1992.	Grants-in-Aid	501	739	674
To pay social grants to older persons, in terms of Social Assistance legislation, payable to women 60 years and over and men 65 years and older.	Old Age	151,655	153,407	152,352
To pay temporary relief to people in distress.	Relief of Distress	300	300	1,399
To pay social grants to disabled or older persons who are 60 years and older and who fought in the Second World War or the Korean War.	War veterans	109	106	97
To prevent fraud and corruption	The % reduction in illegal and ghost beneficiaries	0%	10%	10%
To strengthen partnerships and collaborations with all relevant stakeholders	The number of: MOUs MOAs SLAs Contracts	0	Local Govt Home Affairs DOE SAPS	6 Interdepartmental Fora established 9
To build the capacity of the Unit.	The number of trained personnel on relevant legislation and customer care	130	135	158
	The number of trained personnel on BENEN	30	10	27
	The number of trained pensioner committee members	471	497	177
	The number of personnel trained on SOCPEN	130	30	37

Programme 3: Social Welfare Services

Aim: To provide integrated developmental Social Welfare Services to the poor and vulnerable in partnership with stakeholders and civil society organisations

Delay in the filling of the Chief Director Service Delivery Programmes' post of the Social Services Component impacted negatively on processes and coordination of the components' core businesses. The management of the Social Services business unit has been adversely affected due to inadequate support and leadership.

Older Persons

The Department was involved in the consultative process on the development of the new legislation for older persons which continued throughout the financial year under review.

The Department of Health and Social Services commissioned a study on the needs of older persons in 2004 in order to support government departments and other service providers to plan for integrated service delivery to older persons and to ensure that services rendered address the issues raised by older persons themselves.

The research led to the drafting of an integrated plan based on the research findings by government departments and other role players. An interdepartmental Task Team was therefore formed comprising of the following departments:

- Education
- Justice
- South African Police Service
- Safety and Security
- Local Government and Housing
- Roads and Transport
- Culture Sports and Recreation
- Agriculture and Land Administration
- Economic Development and Planning
- Home Affairs

The aim of the plan is to foster better coordination and integration of services, by departments. It will also strengthen stronger, meaningful and sustainable partnerships between stakeholders and role players. The integrated plan seeks to promote the key priorities of the Madrid Plan of Action namely: older persons and development, advancing the health and the well being, ensuring and enabling a supportive environment.

The Indaba was then planned and held from the 19, 20 and 21 October 2005, to deliberate more on the integrated plan involving older persons themselves as service recipients and other important role-players. A total of two hundred and fifty (250) delegates from a diverse spectrum of the community attended the Indaba.



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A consultative workshop on norms and standards was facilitated by the National Department in March 2006 and was attended by fifty (50) representatives NPOs and CBOs, from residential and community based care facilities. This workshop was planned in preparation for the implantation of the Bill which requires the Department to come up with standards to be met by residential and community based care organizations render quality services.

Over and above consultations taking place in the form of workshops, ongoing consultation regarding services rendered and new policies developed take place in the districts with fora presenting older persons on the ground.

Prevention of Substance Abuse

The National Department of Social Development facilitated the drafting of the minimum norms and standards for Inpatient Treatment Centres as prescribed by the legislation.

The working task team, consisted of representatives from Mpumalanga Province, Limpopo Province and the National Social Development Office, who worked tirelessly for almost six months to ensure that the document was produced on time for presentation to the Cabinet for approval. Representatives from the Health component, Swartfontein Treatment Centre and the SANCA National Office, devoted more than their fair share of time into the discussions document in order to refine the content and context of the manual. Norms and standards were approved by the National Minister of Social Development.

The official piloting of implementation of the norms and standards started in April 2005 and Swartfontein Treatment Centre in the province was identified as one of the pilot sites out of three provinces.

In continued efforts to raise awareness of the dangers and effects of abusing drugs and alcohol, the Department organized an event to commemorate the International Day Against Drug Abuse and Illicit Trafficking. The event was planned and celebrated in conjunction with the Department of Safety and Security with their campaign on Gun Free Society and involved all stakeholders.

Child protection and Families

Child Protection Week was commemorated from the 28th May to the 4th June 2005. The main event was characterised by the MEC undertaking visits to the facilities for children in the Province to meet the personnel and children and to give messages of support. Equipment in the form of furniture, toys, blankets etc were presented to these facilities.

The Department participated in the national/provincial consultative processes regarding the finalisation of the Children's Bill. The better part of the year was spent on the process of costing of the Bill which was a requirement for approval.

The Mpumalanga Provincial Integrated Early Childhood Development plan which is informed by the National Integrated Plan for Early Childhood Development draft (Tshwaragano le bana), was finalised. This was through the involvement of the Provincial Social Sector Cluster Departments of Education; Culture, Sports & Recreation and Health & Social Services. The Technical Committee and the Cabinet Committee on Social Services Cluster continued to monitor progress on the implementation of the plan.



The process to implement the Child Protection Register continued during the period under review. Despite the challenges associated with the establishment of reliable network infrastructure, the Department ensured that the manual capturing of cases took place and were reported to the National Department as a requirement.

The Department organized a Provincial workshop with the various government departments including Non- Profit Organisations and Community Based Organisations, to obtain inputs for the draft Policy Document for Families. Mpumalanga Province was one of the three provinces from which family dialogues were undertaken to obtain inputs.

The policy was finalised by the Department of Social Development and was launched at the International Conference on Families from 2 4 March 2005 in Durban.

The International Day of Families was celebrated in Barberton to promote integrated service delivery to address the needs of families.

Social Crime Prevention

The Department continued to provide services in terms of detention, care and development of children awaiting trial in terms of the existing constitutional obligations and current legislation.

In many instances the level and quality of service delivery were improved to fulfil the requirements set out in the Child Justice Bill. Additional Probation Officers were appointed and arrangements made with the Department of Justice for their placement at the Magistrate Offices.

The detention, care and development of children awaiting trial continued at the Hendrina Secure Care Centre during the period under review. The centre was utilized to almost full capacity and there was an improved working relationship amongst the stakeholders. The Department continued to place emphasis on diversion of children from the criminal justice system and more diversion programmes were implemented.

The Department also participated in the Integrated Justice System Coordinating processes.

Victim Empowerment

The Department continued to provide services to victims of violence through providing accommodation, and counselling services to ensure that their psychological, welfare, safety, and judicial needs are addressed. This was done through the Louville Women's Support Centre and the Leseding Outreach Centre in the Province. Other statutory and non-statutory services were rendered through social work offices in the districts.

The Department in conjunction with the National Department of Social Development finalised a business plan for the establishment and funding of the shelter for women and children in the Gert Sibande district. Processes are in place to officially open the centre during the next financial year.



The Department also participated in the workshops and training sessions provided by the National Department of Social Development.

People with Disabilities

In November 2005 a consultation workshop which was facilitated by the National Department of Social Development took place on the three National Policies viz:

- Policy on disability.
- Norms and standards for residential care as well as
- Guidelines for transformation of protective workshops

These policies give guidelines for future development of services to people with disabilities. Training is planned for 2006/07 financial year to pilot the implementation of the policies in the province.

Continued support and funding of NPOs providing services to people with disabilities were provided by the department.

The Department participated in the commemoration of the National Day of People with Disabilities organized by the Office the Premier, Disability Desk.



Programme 3 Social Welfare Services

Key Measurable Objective	Performance Measure	2004/05 (Actual)	2005/06 (Target)	2005/06 (Actual)
1. Treatment and Prevention of Substance Abuse				
To provide programmes, services and facilities for the treatment and prevention of substance abuse and to provide support to affected people, including support to Public Welfare institutions and Welfare organisations	The % reduction in the prevalence of substance abuse		Development of the baselines	Not achieved, however collection of non-financial data is done on a quarterly basis
	Number of persons reached through Statutory and non-statutory services	321 Persons	371 Persons	469 Persons
	Number of awareness campaigns conducted	23 District One Provincial	25 District One Provincial	27 District One Provincial
	Number of people trained		159 People	141 People
	Treatment and outreach services to persons affected by substance abuse (Swartfontein Rehabilitation centre)	25 Outreach programmes	30 Outreach programmes	0 Outreach programmes Outstanding outreach to be prioritised for the next financial year 2006/07
	NPOs programmes paid, monitored and evaluated	2 additional organisations	3 additional organisations	0 additional organisations 9 paid and 8 monitored
1. Service to Older Persons				
To promote the rights of Older Persons	Number of awareness campaigns held	One Provincial event 9 Regional events	One Provincial event 12 Regional events	One Provincial event 11 Regional events
	Number of training sessions provided to service providers	432 Persons	462 Persons	396 Persons

Key Measurable Objective	Performance Measure	2004/05 (Actual)	2005/06 (Target)	2005/06 (Actual)
	Subsidies paid, monitored and evaluated to NPO	18 Additional community based services	22 Additional community based service	0 Additional community based service
		107 Existing organisations	129 Existing organisations	144 Existing organisations paid and 151 Monitored

3. Crime Prevention and Support

To provide for programmes, services and facilities to promote the well-being and protection of older persons including support to Public Welfare institutions and Welfare organisations	The % of children reintegrated		To conduct a baseline study	Not achieved, however collection of non-financial data is done on a
	Number of children diverted from criminal justice system	3328 Children	3926 Children	4768 Children
	Number of Crime prevention awareness campaigns	35 Regional events	20 Regional events	22 Regional events
	Number of Capacity building sessions	456 Persons trained	508 Persons to be trained	506 Persons trained
	Number of Subsidies paid to NPOs	1 additional community based service	3 additional community based service	0 additional community based service
		Existing organizations	3 existing organisations	6 existing organisations

4. Services to people with disabilities

To provide for programmes, services and facilities to promote the well-being of persons living with disabilities including support to Public Welfare Institutions and Welfare Organisations	Number of persons provided with Statutory and Non-statutory services	1919 Persons	2014 Persons	2056 Persons
	Number of awareness campaigns held	1 Provincial event	1 Provincial event	Supported the OSDP event
		9 Regional events	12 Regional events	12 Regional events

Key Measurable Objective	Performance Measure	2004/05 (Actual)	2005/06 (Target)	2005/06 (Actual)
	Number of persons trained	165 Persons	180 Persons	130 Persons
	Subsidies paid to NPOs	17 Additional community based service	24 Additional community based service	0 Additional community based service
		95 Existing organisations	112 Existing organisations	136 Existing organisations and monitored

5. Services to Children, Women and Families

To protect and promote the well-being and the rights of children and youth.	Number of children and youth reached through Statutory and non-statutory services	58414 Children and youth	63087 Children and youth	67684 Children and youth
	Number of Drop-in-Centres for Street Children established	Two additional centres	Two existing centres Six additional centres	Two existing centres Not achieved
	Number of children reached in terms of the child protection register programme	600 Children	636 Children	504 Children
	Number of Capacity building provided, <i>monitoring and evaluation provided</i>	600 Service providers	874 Service providers	918 Service providers
	Number of Awareness campaigns held	Three Provincial events 55 Regional events	Three Provincial events 59 Regional events	One Provincial Event 44 Regional events
	Number of Subsidies paid to NPOs	280 Existing organisations 117 Additional organizations	397 Existing organisations 87 Additional organisations	475 Existing organisations and 239 monitored 0 Additional organisations

Key Measurable Objective	Performance Measure	2004/05 (Actual)	2005/06 (Target)	2005/06 (Actual)
To protect and promote the well being of families	Number of Statutory and non statutory services provided	700 New cases	700 New cases	958 New cases
	Number of persons trained	205 Persons	350 Persons	283 Persons
	Number of awareness campaigns / events held	1 Provincial event 9 District events	1 Provincial event 9 District events	1 Provincial event 9 District events
	Number of NPOs programmes monitored and evaluated	46 Existing organisations	50 Existing organisations	50 Existing organisations and 16 monitored and evaluated
		Four additional organisations	Three additional organisations	0 additional organisations
To protect and promote the well being and the rights of women	Number of Statutory and non statutory services provided	Women	Women	122 Women
	Number of Safe houses established	3 per region	4 per region	Not achieved
	Number of Perpetrators programme implemented	3 programmes per region	3 programmes per region	Not achieved
	Number of persons trained	30 Persons trained	32 Persons trained	42 Persons trained
	Number of awareness campaigns	2 provincial events	2 provincial events	2 provincial events
		21 District events	24 District events	26 District events
	Number of Subsidies paid to NPOs	2 existing organisations	2 existing organisations	5 existing organisations
			3 additional organisations	0 additional organisations

Programme 4: Development Support Services

Aim: To contribute towards an enabling environment in which communities can be mobilised to participate in social development processes.

Poverty Alleviation

For a long period the poverty alleviation programmes operated in a vacuum as there is no provincial poverty alleviation strategy. The Department is actively participating in the development of the Provincial 2014 Poverty Eradication Strategy facilitated by the Premier's Office. A completed document is expected in the next financial year. This is a critical policy framework that will inform the provision of sustainable poverty eradication programmes. Provision of emergency food parcels through the Integrated Social Development Grant was substituted with a more sustainable programme that is, support to home based care centres (multi-purpose) to enable them to provide a holistic service to all vulnerable children. Thirty one (31) multi-purpose centres were funded to provide laundry, recreation, after school care and cooked meal services.

As part of developing sustainable strategies for providing poverty alleviation projects, the Department intensified its capacity building programme to train prospective project beneficiaries in preparation for funding in the next financial year. As a result, no income generating projects were funded in the current financial year. Thirty (30) poverty alleviation projects will be funded in 2006/7.

Non-Profit Organisation Development

The Department embarked on an intensive structured capacity building program for NPOs as an attempt to deal with the disparity that exists between established and emerging Non-Profit Organisations as well as the capacity gaps that were identified through service plans assessments. Procedure guidelines and training manuals were developed to address the urgent capacity needs of NPOs in the Province. One hundred and eleven (111) NPOs were trained during 2005/06 financial year.

Twenty three (23) public education and awareness campaigns targeting people with disabilities were conducted whereby nine thousand eight hundred and thirty two (9, 832) people were reached. The purpose of these campaigns is to educate communities about the services and programmes provided by the department. The programme is new according to the budget structure and did not have a budget allocation. Funds from poverty alleviation were utilized.

HIV and AIDS

One of the key mandates of the Department is to mitigate the impact of HIV and AIDS on families especially children. Provision of services focusing on people affected and infected with HIV and AIDS was executed according to the department's plans

The range of services and support provided to community based care initiatives and to people living with HIV and AIDS and those affected such as orphans, is supported by the following:





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- The National Integrated Plan for children affected and infected by HIV and AIDS.
- The funding of community home based care.

The relief measure to vulnerable households was successfully implemented as follows:

- Provided food parcels to vulnerable households.
- Funded drop in centres that provided meals to vulnerable target groups.
- Distributed food supplements to people infected by TB & HIV and AIDS to enhance their food nutritional requirements.
- Vigorous awareness campaigns led to a number of cases coming forward because people are informed of the services.

Youth Development

This is a new programme according to the budget structure and it did not have a budget allocation. Funds from poverty alleviation were utilized to implement the programme output. There was no dedicated human resource to ensure implementation. The programme manager for Poverty Alleviation assisted this programme.

The contribution as a Department in terms of youth development will be to intensify the empowerment and development of the youth.

To address the diverse and complex nature of challenges faced by the young people, twenty one (21) consultative workshops were conducted with a view to determine the needs of the youth that will inform the design of relevant intervention programmes.

Programme 4: Development Support Services

Key Measurable Objective	Performance Measure	2004/05 (Actual)	2005/06 (Target)	2005/06 (Actual)
1. Youth Development				
To coordinate the capacity building and economic empowerment programmes in support of youth advancement	Number of Youth trained		90 Trained youth	335 youth trained
	Number of awareness campaigns conducted	-	21 Campaigns conducted	23 Campaigns conducted
2. Poverty Alleviation				
To support programmes directed at promotion of sustainable livelihoods	Awareness campaigns conducted	54 Campaigns conducted	54 Campaigns conducted	52 Campaigns conducted
	Number of pairs supported	0	0	0
	Number of people trained	65 Trained Beneficiaries	210 Trained people	387 Beneficiaries trained
Support and provide appropriate social welfare services and development interventions through immediate and appropriate short term relief to vulnerable individuals and households not eligible for Social Assistance	31 multi-purpose centres funded	0	31 multi-purpose centres funded	31 multi-purpose centres funded
Support and provide appropriate social welfare services and development interventions through immediate and appropriate short term relief to vulnerable individuals and households not eligible for Social Assistance	Number of households reached	23 043 Households	New business plan was developed after the strategic plan document was finalised. The objective and Key performance measures changed for this programme	-
	Number of Drop-In centres supported	9 Drop-In centres	As above	-
	Number of recipients of food supplements	3 000 Recipients	3 000 Recipients	3 538 Recipients

Key Measurable Objective	Performance Measure	2004/05 (Actual)	2005/06 (Target)	2005/06 (Actual)
3. NPO and Capacity Empowerment				
To strengthen institutional capacity of NPOs and CBOs	Number of NPOs trained		66 NPOs trained	111 NPOs trained
	Number of network workshops held		9 workshops	7 workshops
	Number of observational visits undertaken		6 Observational visits	6 Observational visits
6. HIV and AIDS				
Provide capacity building to people infected and affected with HIV and AIDS including the provision of preventative programmes to people at risk	Number of staff trained	50 Staff members	100 Staff members	100 Staff members
	Number of caregivers trained	450 Caregivers	675 Caregivers	705 Caregivers
	Number of Groundbreakers trained	108 Groundbreakers	108 Groundbreakers	108 Groundbreakers
	Number of youth trained	-	150	150
	Number of life skill camps conducted for children heading households	Six Camps	Six Camps	Six Camps
	Number of older persons trained	150 Older persons	250 Older persons	250 Older persons
	Number of persons with disabilities trained	-	150 Persons with disabilities	150 Persons with disabilities
	Number of men and women trained	-	1000 Men and women	1000 Men and women
	Number of home community based projects funded	33 Home Community Based care	45 Home Community Based care	45 Home Community Based care
	Number of Child Care Forums supported	30 Child Care Forums	20 Child Care Forums	20 Child Care Forums

Programme 5: Population Development and Demographic Trends

Aim: To ensure the implementation of the population policy at provincial and local levels.

Research and Demography

The mandate of the Department is to assist government departments and local government to interpret the Population Policy in relation to their areas of operation. This was strengthened by the appointment of an official to drive the process. The Department started implementing a strategy to motivate government departments and local government to integrate population issues into their development planning.

Three (3) information, communication and education workshops in collaboration with the National Department of Social Development were held with Districts and Local municipalities. The aim of the workshop was to create awareness on the role of the section and to share information on population and development, as well as research results available in the department. A pilot project was also implemented with one local municipality to develop a strategy to effectively work with local municipalities.

The appointment of two Assistant Directors strengthened the Demographic Trends and Analysis Directorate. The appointment of the Director will be prioritised in the new financial year.

Three reports were completed.

- Information Needs Assessment to Local Municipalities;
- Staff Turn Over in the Department of Health and Social Services;
- Desk Research on Environmental Relationships

Other projects in process:

- Orphans and Children living Alone
First phase, namely literature review completed. Data collection process with stakeholders completed.

Advocacy and Capacity Development

The programme hosted three (3) Information, communication and education workshops in collaboration with the Chief Directorate Population and Development, Department of Social Development, to create awareness with local municipalities on the implementation of the Population Policy and the role of Local Government in implementing the policy.

A pilot project was undertaken with the Thembisile Municipality with the aim of assessing the support needs of local municipalities in relation to the integration of population and development into the IDPs. This project did not meet the expectations of the department. During a departmental evaluation session it was decided to support local municipalities on an individual and continuous basis. Taking into consideration the capacity within the programme, ten (10) municipalities were identified for support with the integration of population factors into their Integrated Development Plans.





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Since this is a new initiative it will receive continuous attention and the strategy will be adapted as new insight and understanding of collaboration between the sector Department and municipalities unfolds.

Seven (7) Population officials attended a three (3) day IDP training session hosted by the National Department of Social Development. This course allowed officials to improve their understanding of legal framework for the development of IDPs, as well as the processes content and role of stakeholders to be involved.

Programme 5: Population Development and Demographic Trends

Key Measurable Objective	Performance Measure	2004/05 (Actual)	2005/06 (Target)	2005/06 (Actual)
1. Research and Demography				
To strengthen the provincial and departmental programmes by providing population and human development information	The number of reports and research studies commissioned or undertaken	2 Reports	2 Reports	
		Research on Older Persons	Child headed households	Orphans and children living alone. First phase completed i.e. literate review and data collection
		Appraisal of Home Based Care projects	Report on desk research re population and environment relationships	Report on desk research on population and environment relationships
		An analyses of Census 2001 information		Information Needs assessment of Local Municipalities Staff Turnover in the department
2. Advocacy and Capacity Development				
To enhance government's capacity for the systematic integration of population factors into development planning	Number of government structures supported with capacity development	Three District municipalities	Three District municipalities	Three District municipalities
		One Provincial government department	One Local Municipality	One Local Municipality
			One Provincial Government Department	One Provincial Government Department
To promote advocacy for population and related development issues targeted at government leadership and civil society at all levels	No. of events to distribute information	Two Events	Two Events	Five events
	Number of items printed and distributed	Two Research reports	Two Research reports	One research report , 1 pamphlet and 1 poster
		Two Promotional items	Two Promotional items	Nine Promotional items

2.4 Departmental receipts

Departmental Revenue	Actual Collection 2004/05	Budgeted Collection 2005/06	Actual Collection 2005/06	% Deviation from target
Curent revenue				
Tax revenue				
Non-tax revenue	633	0	789	100%
Capital revenue				
Departmental revenue	633	0	789	100%

The table below provides for a breakdown of departmental own revenue

Departmental Own Revenue	Actual Collections 2004/05	Budgeted Collection 2005/06	Actual Collection 2005/06	% Deviation from target
Commission	33	0	48	100%
Refund/Rec. Prev Fin Year	0	0	149	100%
Stale Cheques	0	0	0	
Rental of Official Housing	22	0	30	100%
Other	578	0	562	100%
TOTAL	633	0	789	100%

Specific challenges and responses

Challenges	Response
Zero budget for the 2005/2006 financial year due to the fact that revenue was budgeted under the Health component.	Review the budget for the outer years.

Issues requiring ongoing attention

The Department was in transit of separation into Social Services: Vote 13 and Health Services: Vote 10. Although this separation was finalised during the year under review, management support staff is still shared between the votes to a large extent. This status quo affects the provision of efficient and affective financial management support.

2.5 Departmental payments

Programmes	Voted for 2005/06	Roll-overs and adjustments	Virement	Total voted	Actual Expenditure	Variance
Administration	59,231		(8,640)	50,591	49,494	98%
Social Assistance Grants	3, 777,900			3, 777,900	3, 676,750	97%

Programmes	Voted for 2005/06	Roll-overs and adjustments	Virement	Total voted	Actual Expenditure	Variance
Social Welfare Services	118,534		9,390	127,924	124,811	98%
Development and Support	61,558	12,097		73,655	72,903	99%
Population Development and Demographic trends	3,789		(750)	3,039	2,690	89%
TOTAL	4,021,012	12,097	0	4,033,109	3,926,648	97%

The information can either be presented in a list format or in a tabular format as follows

Departmental Own Revenue	Actual Collection 2004/05	Budgeted Collection 2005/06	Actual c Collection 2005/06	% Deviation from target
Commission	33	0	48	100%
Refund/Rec. Prev Fin Year	0	0	149	100%
Stale Cheques	0	0	0	
Rental of Official Housing	22	0	30	100%
Other	578	0	562	100%
Total	633	0	789	100%

Specific challenges and responses

Challenges	Response
The late appointment of I service provider and the failure to appoint a second.	Continue with the projects in the next financial year.
Funding of all eligible applicants for social grants	Awareness campaigns against fraudulent beneficiaries
Establishment of transversal systems, lack of support staff and access to budget	Trained the core staff to work on transversal systems
The Directorate has to report for two votes. The workload is more than the people employed to carry it.	The finalisation of the structure will enable the Directorate to increase the number of officials
NPOs registered and providing service but not receiving funding	Motivate for more funding

Issues requiring ongoing attention

- The transfer of the management of the social assistance grants to the South African Social Security Agency.
- Provision of social assistance to qualifying and eligible beneficiaries.
- Elimination of fraud and corruption within the social security system.
- Monitoring research projects commissioned.
- Utilization of research findings to inform planning.
- The decentralisation of financial and human resource management delegations and review of the organisational structure.
- The implications of the policy on financial awards.
- The roll out of the Department in learnership programmes and the extended public works programmes.
- Implications for the funding of the Integrated Service Delivery Model for Social Services

2.6 Service Delivery Achievements

Programme 2: SOCIAL ASSISTANCE GRANTS

Programme Objective: To provide for the disbursement and administration of social assistance grants in terms of the Social Assistance Act, 1992 and the determination of grant trends

Description of Objective and Performance measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from Target
Old Age	149,192	153407	152352	-0.7%
War Veterans	118	106	97	8%
Disability	69,201	83500	71434	-14%
Grants-in-aid	610	739	674	-9%
Foster Care	11536	17181	16223	-6%
Care Dependency	4286	4777	4440	-7%
Child Support Grant (0-7)	295790	298234	309240	3%
Relief of Distress		300	1399	366%

Specific challenges and responses

Challenges	Response
Access to Social Grants Increase of access to social grants especially to farming communities in terms of establishing pay-points.	59 registration and 16 awareness campaigns were conducted to increase access to social grants 6 interdepartmental forums were established, 9 interdepartmental meetings were conducted to strengthen partnerships and collaboration with stakeholders.
Social Relief Social relief of distress is a challenge because the Social Welfare component is also providing a similar service in the form of poor relief. Tedious procedure in procuring social relief.	Development of a joint strategy with social welfare services to address the challenge. In order to avoid the tedious procedure bulk buying was promoted.
Fraud and corruption Prevalence of fraud and corruption within social security system and processes	9 anti fraud and corruption awareness campaigns were conducted and 6 Operation Buyisa campaigns were conducted. 6,067 beneficiaries identified during the amnesty period were cancelled from the system. The process to terminate beneficiaries receiving disability grants unlawfully was intensified.

Challenges	Response
Human resource Lack of sufficient human resource tested the already understaffed social security directorate, especially with regards support staff.	Additional 90 permanent staff and contract workers were appointed to provide services in the Districts. Core staff was trained to work on LOGIS to fastrack the procurement process.

Issues requiring ongoing attention

- Implementation of measures to Increase access to social grants
- Enhancement of human resource requires on-going attention
- The component is faced with a challenge to ensure a seamless transition to the South African Social Security Agency by 1 April 2006.
- Increase of accessibility to social grants requires on-going attention, especially the Child Support Grant Extension, without excluding the other grant types. Permanent staff and contract workers have been appointed to provide social security services.
- Targets in the Strategic plan not necessarily aligned to projections in the Year plan.
- Reduction of the turn around time to 21 days. One hundred and fifty supervisors were trained on supervision. The blue-print to reduce the turn around time to one day was piloted in Ehlanzeni District and a roll out plan to Gert Sibande and Nkangala Districts was designed and implemented in some of the sub-districts.

Programme 3: SOCIAL WELFARE SERVICES

Programme Objective: To provide effective and quality welfare services to the poor and vulnerable through sustainable development and provide funding, guidance and support to Non-Profit Organisations.

Description of Objective and Performance measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from Target
1. SUBSTANCE ABUSE				
Number of Substance Abuse Government	1	1	1	0%
Number of Substance Abuse NPOs Centers	2	2	0	(100%)
Number of Counseling services Gov Clients substance abuse	209	90	379	(321%)
Counseling services NPOs Clients for substance abuse	111	60	192	(220%)
2. CARE OF THE AGED				
Number of Homes for the Aged - Government	Nil	Nil	Nil	0%
Number of Homes for the Aged - NPOs Centres	19	19	19	0%
Number of aged counseled by Gov Clients	1724	500	1250	(150%)
Number of aged counseled by NPOs	988	550	1 817	230%
Number of Service Centres for Aged	65	63	63	0%
3. PREVENTION REHABILITATION AND VICTIM EMPOWERMENT				
Number of Children in conflict with the law	8556	112	681	(508%)
Number of children to whom Probation	2521	Included in figures	Included in figures	N/A
Number of children involved in Diversion Programmes	2 521 Children diverted	3922	4768	(22%)
Number of children involved in Social and Crime Prevention Programmes	7821 Children	24 awareness campaigns	26 awareness campaigns	(8%)
Number of clients who were involved in Rehabilitation and prevention programmes	41 persons	0	0	0%
4. SERVICES TO PEOPLE WITH DISABILITIES				
Number of Protective Workshops run by Government	Nil	Nil	Nil	0%

Description of Objective and Performance measure		Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from Target
Number of Protective Workshops - run by NPOs	35	33	33	0%
Number of Homes for Disabled run by Gov	Nil	Nil	Nil	0%
Number of Homes for Disabled run by NPOs	6	6	6	0%
Counseling services to disabled by Gov officials	2 251 Persons.	300	1 043	(248%)
Counseling services to disabled by the NPOs Sector	763 Persons	100	138	38

5. CHILD AND YOUTH CARE SERVICES

Number of crèches run by Govt.	Nil	Nil	Nil	0%
Children's Homes run by NPOs.	5	5	5	0%
Counselling services to children by Gov officials.	62 332	63 087	67 684	93%
Counselling services to children by the NPOs Sector.	Refer above (statistics on Govt and NPOs is combined)	Refer above (statistics on Govt and NPOs is combined)	Refer above (statistics on Govt and NPOs is combined)	

Specific challenges and responses

Challenges	Response
Shortage of Social Workers Social Worker to population ratio is currently at 1:25 000. The generic ratio as developed should be 1:3500, implying that vacant Social Worker posts should be filled and new posts should be created in line with the ratios identified.	The implementation of the Service Delivery Model. Restructuring of the Social Welfare organisational structure both at Provincial and at District level. The appointments and training of social auxiliary workers to concentrate on non statutory services which consume a lot of Social Workers time, to allow Social Workers to spend more time on statutory services.
Partnerships with NPOs Insufficient funding and capacity building of NPOs	Building capacity of Non-Profit Organisations to enable them to be more effective in their functioning and rendering of services. The implementation of the Policy on Financial Awards to NPOs and the increased funding will address this issue.

Issues requiring ongoing attention

- Children affected and infected by HIV and AIDS;
- Capacity building, monitoring and evaluation of Non-profit Organisations;

Programme 4: Development and Research

Programme objective: To contribute towards an enabling environment in which communities can be mobilised to participate in social development processes.

Description of Objective and Performance measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from Target
Number of Youth Development Projects rendered	4	-	-	-
Number of clients with HIV and AIDS Counseled	-	-	-	-
Number of poverty projects rendered	44	-	-	-
Number of clients which benefited by the poverty projects rendered	626	-	-	-

Specific challenges and responses

Challenges	Response
Monitoring and evaluation of HIV and AIDS as well as food security programmes.	Review organisational structure to accommodate the appointment of additional personnel.
Delay in appointment of personnel	Strengthen the HRM unit by appointing personnel that will be dedicated to implement and monitor the Human Resource Plan of line functions on a monthly and quarterly basis.

Issues requiring ongoing attention

- Development of Norms and Standards for the home community based care organisations, for proper monitoring and evaluation.
- Monitoring and Evaluation of home community based care organisations.
- Continuously explore sustainable poverty eradication measures
- Implementation of the service delivery model
- Exploring strategies to encourage participation of people with disabilities in department's programmes

Programme 5: Population Development and Demographic Trends

Programme Objective: To ensure the implementation of the population policy at provincial and local levels.

To ensure the implementation of the population policy at provincial and local level

Description of Objective and Performance measure	Actual Outputs 2004/05	Target Outputs 2005/06	Actual Outputs 2005/06	% Deviation from Target
RESEARCH AND DEMOGRAPHY				
Number of advocacy projects executed to promote population related issues in government and civil society		12	22	83
Number of government departments assisted with the analysis of data to monitor and evaluate the effectiveness		All requests attended too	57 requests from stakeholders	-
Number of monitoring and evaluation projects executed with regard to the implementation of the population policy		None executed Planned 2 phases of the monitoring and evaluation of the Population Policy	None executed Planning completed	-
Number of government departments assisted to build their capacity and expertise in analysing the linkages between demographic variables and different line function policies and programmes.		5	5	0

Specific challenges and responses

Challenges	Response
The need for support to local municipalities to integrate population and development issues into planning is increasing. The need exists to work on a continuous basis with individual district and local municipalities. The population unit is a small unit and physically situated in the provincial office and this provides challenges to access and availability of this service.	It has been proposed to appoint district personnel to address this need.

Issues requiring ongoing attention

- Ongoing consultation with clients is needed to ensure that information provisioning is needs driven.
- Monitoring of research studies commissioned and undertaken is needed to ensure that information gathered reliable.
- Personnel development will receive ongoing attention to meet the growing need for more specialized analysis.

2.7 Transfer Payments

Programme 3: Social Welfare Services

Services Provided

Four hundred and eighty seven (487) Non-profit Organisations contracted to provide social welfare services.

Four hundred and eighty seven (487) Non-Profit Organisations subsidised, five hundred and three (503) old and two hundred and twenty seven (227) new Non-Profit Organisations evaluated.

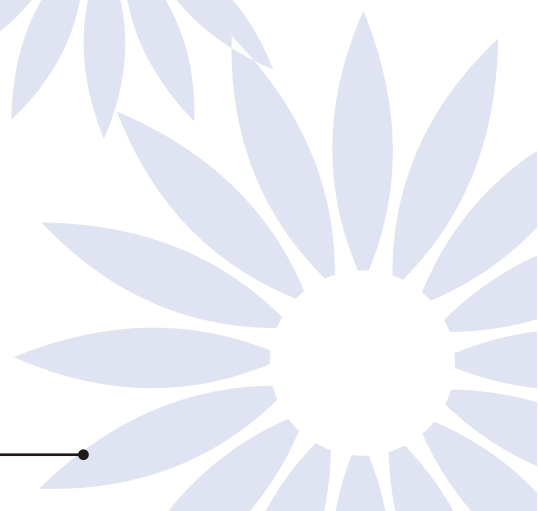
Monitoring

A total of five hundred and seventy (570) Non-profit Organisations monitored through five hundred and seventy (570) visits by social welfare officials.

A quarterly progress report monitoring system in a form of reporting formats for all the NPOs is a requirement. Physical and direct monthly monitoring of projects to monitor and support the implementation process at organisation level is completely inadequate due to shortage of personnel.

Name of Institution	Amount Transferred
PERSONS WITH DISABILITIES	
Homes For Persons With Disabilities	6,170,947
Protective Workshops	1,729,180
Social Service Organisations	2,257,404
Stimulation Centres	1,484,470
OLDER PERSONS	
Assisted Living	75,350
Homes For Older Persons	11,680,980
Service Centres	3,761,748
Social Service Organisations	351,905
CHILD AND FAMILY CARE	
Centres For Homeless	47,700
Children's Homes	6,921,751
Groups For Adults	14,235
Shelters for Street Children	623,965
Drop-in-centre for Street Children	44,762
Social Service Organisations	8,776,693

Name of Institution	Amount Transferred
After Care Centres for Vulnerable Children	274,159
Shelters for Women	220,245
Crèches	12,393,200
CRIME PREVENTION	
Social Service Organisations	547,335
SUBSTANCE ABUSE	
Substance Abuse	2,189,920
TOTAL	59,565,949



Programme 4: DEVELOPMENT SUPPORT SERVICES

Services Provided

Services provided under this programme are inclusive of prevention, financial support and capacity building programmes. (Refer to outputs)

Monitoring

All projects are compelled to adhere to the following funding requirements prior to the approval of the business plan. This is common practice to both HIV and AIDS and poverty alleviation programmes.

- Business plans/Service plans with a clear cash flow plan.
- Signing of the grant agreement. This includes the section 38 (l) (j) of the PFMA.
- Submission of the constitution.
- Active bank account and bank details of the project.
- Projects are expected to submit the monthly reports and financial statements to the district offices on a monthly basis.
- BAS entity form for each project is created on the financial system.
- Funds are transferred directly to project accounts.

Monitoring is provided by forty seven (47) Community Liaison Officers for HIV and AIDS, poverty alleviation and ISDSG programmes. There are still challenges because of the following reasons: Monthly monitoring system for these programmes is available though not adequate.

54 HIV and AIDS projects were funded in 2005/06 financial year, and they are as follows:

Name of Institution	Amount Transferred
1. Simunye Home Based Care	R300,000
2. Pholani Home Based Care	R300,000
3. Matsulu Home Based Care	R300,000
4. Cedusizi Home Based Care	R300,000
5. Thembelihle Home Based Care	R300,000
6. Sentelokuhle Home Based Care	R300,000
7. Tholulwazi Home Based Care	R300,000
8. Philisani Home Based Care	R300,000
9. Sinethemba Home Based Care	R210,000
10. Itireleng Home Based Care	R300,000
11. Masiphakamisane Home Based Care	R294,000
12. Asibambaneni Home Based Care	R300,000
13. GET LIFE HCBC	R300,000
14. Khomanani HCBC	R300,000

Name of Institution	Amount Transferred
15. Simunye HCBC	R300,000
16. Joy HCBC	R320,000
17. Sinethemba HCBC	R320,000
18. Verulum HCBC	R320,000
19. Zamokuhle HCBC	R320,000
20. Kgobokoane Youth on AIDS	R312,000
21. Siyanqoba Konke Home Based Care	R300,000
22. Sipho Esihle Project on Vulnerable Children	R270,000
23. Ingagara Project on Vulnerable Children	R294,000
24. Mhluzi Home Based Care	R300,000
25. Kopanong Home Based Care	R300,000
26. Senotlelo Home Based Care	R300,000
27. Pankop Home Based Care	R324,000
28. Senzokuhle Home Based Care	R300,000
29. Hlanganani Home Based Care	R300,000
30. Tholulwazi Home Based Care	R300,000
31. Nomakhaya Home Based Care	R300,000
32. Siyaluleka Home Based Care	R300,000
33. Healing Hands Home Based Care	R300,000
34. Cedusizi Home Based Care	R300,000
35. Emgwenya HCBC	R320,000
36. Phidisa HCBC	R320,000
37. Magana HCBC	R320,000
38. Sunrise HCBC	R320,000
39. Kwandisa Home Based Care	R300,000
40. Hope Home Based Care	R300,000
41. Isiphephelo Home Based Care	R300,000
42. Katleho Home Based Care	R300,000
43. Kutlwano Home Based Care	R300,000
44. Kwachibikhulu Home Based Care	R300,000
45. Masisizane Home Based Care	R300,000
46. Sikhulangolwazi Home Based Care	R300,000

Name of Institution	Amount Transferred
47. Simunye Home Based Care	R300,000
48. Sinothando Home Based Care	R300,000
49. Sizakancane Home Based Care	R300,000
50. Tholimpilo Home Based Care	R300,000
51. Thuthukisimpilo Home Based Care	R300,000
52. Umzamo Home Based Care	R300,000
53. Vulinqondo Home Based Care	R300,000
54. LOVE LIFE	R485,395
GRAND TOTAL	R 116,449,395

31 Multi-purpose centres were supported in 2005/2006

These are home community based care organisations rendering after school care, laundry, recreational and cooked meal services to vulnerable children.

NAME OF INSTITUTION	AMOUNT TRANSFERRED
1. Kutlwano HBC	R 856,639
2. Phaphamani HBC	R 856,639
3. Empilweni HBC	R 856,639
4. Kromdraai HBC	R 856,639
5. Matsulu HBC	R 856,639
6. Mgobodi HBC	R 856,639
7. Moholoholo HBC	R 856,639
8. Sizanani HBC	R 856,639
9. Sinethemba HBC	R 856,639
10. Philisani HBC	R 856,639
11. Thandanani HBC	R 856,639
12. Siyazenzela HBC	R 856,639
13. Siyachubeka HBC	R 856,639
14. Sizakancane HBC	R 856,639
15. Thololwazi HBC	R 856,639
16. Tholimpilo HBC	R 856,639
17. Sonqoba HBC	R 856,639
18. Ekukhanyeni HBC	R 856,639

NAME OF INSTITUTION	AMOUNT TRANSFERRED
19. Pankop HBC	R 856,639
20. Mhluzi HBC	R 856,639
21. Thembisile HBC	R 856,639
22. Qedusizi HBC	R 856,639
23. Bokamoso HBC	R 856,639
24. Siyanakekela HBC	R 856,639
25. Senzokuhle HBC	R 856,639
26. Nomakhaya HBC	R 856,639
27. Pilgrim Rest HBC	R 856,639
28. Thuthukani HBC	R 856,639
29. Boiketlo HBC	R 300,000
30. Thembelihle HBC	R 300,000
31. Siyanakekela HBC	R 300,000
	R 24,885,892

2.8 Conditional Grants

Summary of Conditional Grants for 2005/06

Conditional Grant	Total Allocation	Total transfers
Integrated Social Development Services Grant	R 27, 651,000	R 23,985,892
National Food Emergency Scheme (Rollover)	R 11,303,000	R 900,000
TOTAL	38,954,000	24,885,892

Province	Total Allocation	Total transfers
Mpumalanga	R 27,651,000	R 23,985,892
TOTAL	R 27,651,000	R 23,985,892

Forty five (45) HCBC organizations received their funds during the second quarter and eight (8) during the last quarter. There was a slight delay in funding of HCBC organizations as the EPWP required that they receive training from accredited service providers. All HCBC organizations received their funds electronically.

An amount of R 2,678,605 was budgeted for the salaries of contract workers and administrative costs in the HIV and AIDS programme. The administrative costs include payment of salaries, subsistence allowance, office furniture, stationary and computers.



An amount of R2, 759,786 was set aside for administrative costs for the Integrated Social Development Services Grant. The budget was utilised for payment of Community Liaison Officers' remuneration, purchase of equipment and furniture, subsistence allowance, telephone, catering for meetings, and stationery.

All funded HCBC organisations were monitored on a monthly basis to check if they spend according to their business plans. Only one organization was reported to have not complied as they have withdrawn all money budgeted for stipends in one month. The said organization was referred to internal audit.

The transfer of funds of the child support grant to the provincial Treasury was made in accordance with the payment schedule. A target of two hundred and eight thousand and twenty nine (208,029) children was set for the child support grant extension. By the end of the financial year two hundred and seventy nine, nine hundred and thirty (279,930) children were reached. The target had been exceeded by seventy one thousand , nine hundred and one (71 support grant was also exceeded. The target for fiscal year was two hundred and ninety eight thousand two hundred and thirty four (298,234) and three hundred and nine thousand, two hundred and forty (309,240) children were reached, exceeding the target by eleven thousand and six (11,006).

The target for old age grant fell short by ten thousand and fifty five (10,055) due to cancellations that occurred because of deaths. The care dependency and disability grant types were not reached due to cancellations of beneficiaries who were unlawfully receiving grants.

The planned target of forty five (45) HCBC organizations was exceeded; instead fifty three (53) HCBC organizations were funded from savings diverted from payment of salaries for personnel that was not appointed.

Most of the targets set within the HIV and AIDS conditional grant were achieved. The only shortfall was on employment of staff. A plan to spend the funds in the next financial year is in place.

Performance in the ISDSG programme is satisfactory, the programme managed to reach its objectives as planned thirty one (31) multi-purpose centres were supported. Three thousand (3,000) food supplements were distributed to clinics, hospitals, social work offices and at the community home based care centres. Both grants performed exceptionally well in terms of expenditure.

In compliance with DORA, monthly and quarterly reports for the conditional grants were submitted. All the funded organisations signed Grant Agreement forms which stipulated areas for compliance with DORA.,901) children. The target for the child

2.9 Capital investment, maintenance and asset management plan

2.9.1 Capital investment

Building projects in progress

- No building projects were in progress.



New building projects planned

- Hendrina Secure Centre upgraded.
- Mkhondo Social Services Sub-district renovated.

Facilities to be closed or downgraded

- There were no plans to close down or downgrade any facility.

Maintenance backlog

The Department has developed a five year plan after conducting an audit of all the facilities. However the first year of the plan could not be realised due to the budgetary constraints. This has been costed over the MTEF period 2006/07 - 2009/10.

2.9.2 Asset management

Asset holdings

No major asset holding changes took place, and no disposals, scrapping and losses were reported for period 01 April 2005 to 31 March 2006

Asset register

The Department makes use of the LOGIS system for procurement and therefore asset bought reflect through this system to the end user's inventory.

Current state of capital stock

The assets are still in the same state as for the 2004/05 year, only a year older. Furthermore the LOGIS system do not provide for all the questions normally raised as it in fact is procurement and not an asset system.

Tender processes of projects

The Department appointed a new bid adjudication committee in October 2004. All services procured above R 200 000, 00 have to be processed through this committee. The Bid Evaluation committee was also appointed towards the end of the financial year.

Supply Chain Committee was appointed in March 2005 to attend to all Quotations below R200 000.00.

2.9.3 Maintenance

The Department of Public Works, as an implementing agent for the Department has appointed a contractor for the upgrading of Hendrina Secure Centre.

Management of major emergency and routine maintenance

All maintenance work is evaluated by the Department of Public Work and recommends what needs to be done. Based on a three quotation system, routine maintenance and emergency work is done by the Department of Public Works or other service providers through the Department of Public Works. Major maintenance is done through the tender process with the assistance of the Department of Public Works.



3. REPORT OF THE AUDIT COMMITTEE

AUDIT COMMITTEE REPORT FOR THE YEAR ENDED 31 MARCH 2006

We are pleased to present our report for the financial year ended 31 March 2006.

Audit Committee Members and Attendance:

The audit committee consists of the members listed hereunder and meets three times per annum as per its approved terms of reference. During the current year seven number of meetings were held.

Name of Member	Number of Meetings Attended
K Buthelezi (Chairperson)	5
E Cousins	4
J Msibi (resigned 06 July 2006)	1
B de Jager (resigned 11 May 2006)	0

Audit Committee Responsibility

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control (examples of appropriate paragraphs below)

The system of internal control was not entirely effective for the year under review as compliance with prescribed policies and procedures were lacking in certain instances. During the year under review several instances of non compliance were reported by internal and external auditors that resulted from a breakdown in the functioning of controls. Significant control weaknesses have been reported by the Auditor-General under emphasis of matter and in the management letter. In certain instances, the weaknesses reported previously have not been fully and satisfactorily addressed.

The recent reports, both from internal and external auditors, point at instances of non-compliance with policies and procedures, mainly in the finance, HR and IT environments. As these appear to be a recurring findings, it has become apparent that there is a lack of focus by management on these findings. Against this backdrop, the Audit Committee intends embarking on a process to explore options and solutions to address the current state of affairs.

The Audit Committee noted the various items, which the office of the Auditor-General has listed as impacting on the internal controls. Management has acknowledged that these must be addressed as a Matter of Priority.

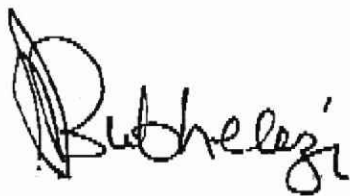
In this regard, the Committee has instructed management to provide the Committee with regular structured feedback on the implementation of effective Internal control procedures and the impact and or outcome of the strengthening of the current controls. The effect of these instances has been included in the annual financial statements and the report of the Accounting Officer.

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review. It was however noted that accounts payable reconciliations were not performed during the year under review.

Evaluation of Financial Statements

The Audit Committee has:

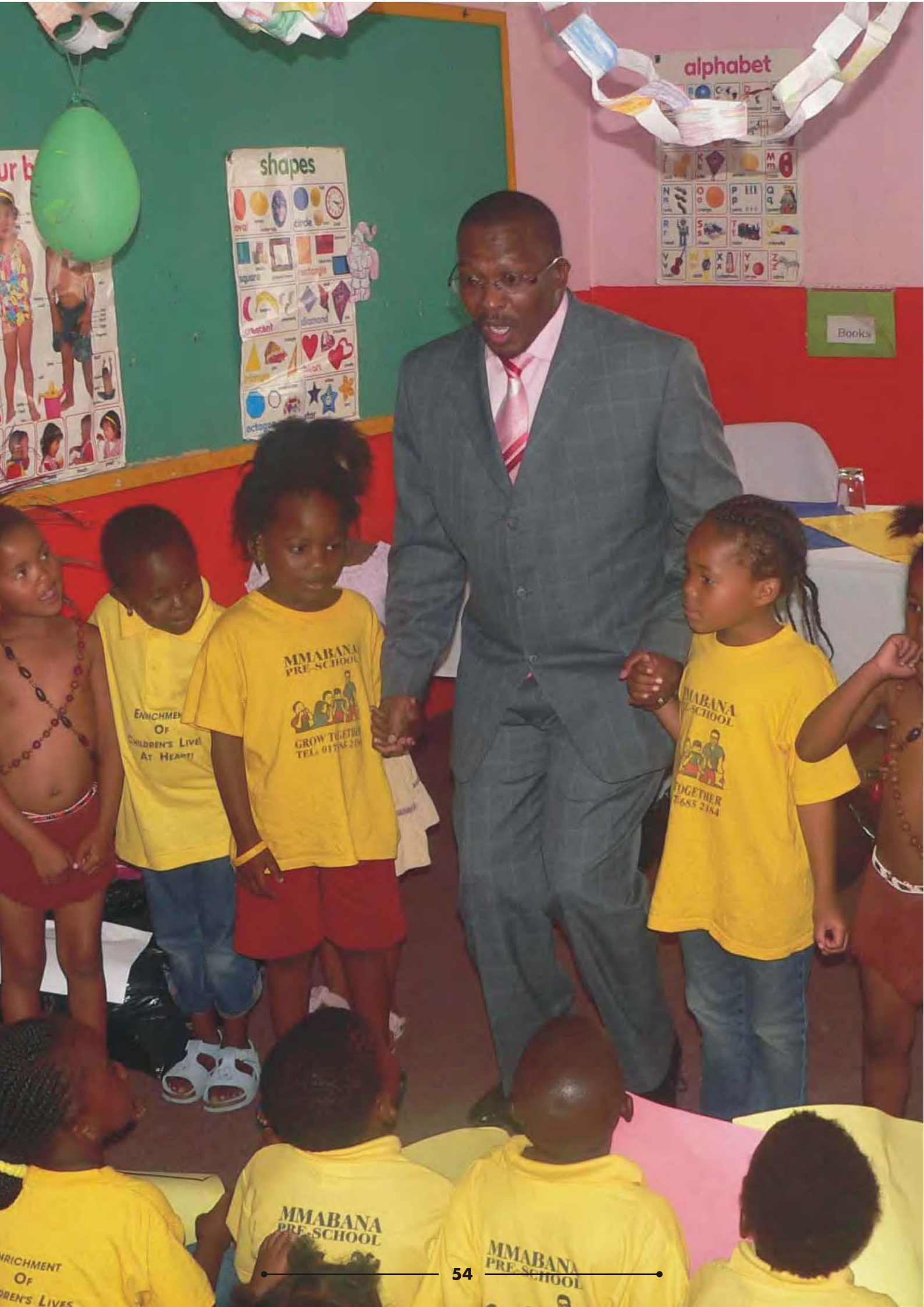
- Reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General and the Accounting Officer;
- Reviewed the Auditor-General's management letter and management's response there to;
- Reviewed changes in accounting policies and practices; and
- Reviewed significant adjustments resulting from the audit.
- The Audit Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



Chairperson of the Audit Committee

Date: 16/08/2006





4. ANNUAL FINANCIAL STATEMENTS

DEPARTMENT OF HEALTH AND SOCIAL SERVICES VOTE 13

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

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**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2006**

1. General review of the state of financial affairs

1.1 Important Policy decisions and strategic issues facing the department

- Repositioning of Social Services.
- To implement the service delivery model.
- To promote organizational efficiency effectiveness and economy.
- To provide integrated developmental social welfare services.
- To contribute to the establishment of an enabling environment for the development of communities.
- To provide information regarding demographic and development trends.
- To monitor developmental policy and implementation.
- To provide social grants to eligible people.
- To ensure seamless to the South African Social Security Agency.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2006**

1.2 Significant events that took place during the year under review

The following events were conducted by the Department in the 2005/06 financial year:

Name of event	Target Group	Date	Venue
International Family Day	Families	15th May 2005	Barberton
International Children's Day	Children and parents	1st June 2005	Thaba Chewu
World population Day	Communities	11 July 2005	Piet Retief
International Day for Older Persons	Older persons	29-30 September 2005	Badplaas
International Day for Poverty Eradication	Communities	17 October 2005	Embalenhle
Home Base Care Day	Home based care Group	1 November 2005	Mshadza
National Children's Day	Children and parents	3 November 2005	Lydenburg
Provincial Consultative Summit on Social Sector	All stakeholders	18 November 2005	Nelspruit
Awards evening	Best performing individual/ Institutions	24 November 2005	Nelspruit
16 Days of Activism on No Violence against Women and Children	Women and children	25 November 2005	Ermelo, Nelspruit and Witbank

1.3 Spending trends

The total revised appropriation for the Department for the year under review was R4,110,839 billion of which an amount of R3,915,996 billion was for conditional grants and R194,843 million was for equitable share.

The Department has spent 95.5% of the total budget of R4,110,839 billion at the end of the financial year 2005/2006. Expenditure on Conditional Grants amounted to R3,658,887 billion which is 93.4% of the revised appropriation on conditional grants. Expenditure on equitable share amounted to R267,761 million which is 137.4% of the Equitable Share of the budget.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2006**

Fund	Final Appropriation 2005/2006	Amount Spent 2005/2006	Variance 20005/ 2006	% Spent 2005/ 2006	Amount Spent 2004/ 2005	% Exp 2004/ 2005
	R'000	R'000	R'000	%	R'000	
Equitable Share	194,843	267,761	(72,918)	137.4%	3,061,464	90.6%%
Conditional Grants	3,915,996	3,658,887	257,109	93.4%	292,067	96.0%
Total Voted Funds	4,110,839	3,926,648	184,191	95.5%	3,353,531	99.3%

The Department incurred a variance of unspent funds amounting to R184,191 million. A variance amount of R 257,109 million is incurred mainly in the Conditional Grant funds which is 6.6% of the final appropriated funds for Conditional Grants. The reasons for the under expenditure are stated under Annexure 1A of the Annexures to the Annual Financial Statements of this Annual Report.

For further information, refer to Annexure 1A for financial information on conditional grants as well as the appropriation statement for financial information per programme, and per economic classification.

Note Included in the saving of the Department is an amount of R77,730 that was appropriated for the over expenditure in programme (Social Assistance) 2 that was incurred in the financial year 2003/2004. The amount was not used to set-off the over expenditure since that expenditure was not condoned by the SCOPA.

2. Services rendered by the department

2.1 Services rendered

The Department renders the following services:

- Social assistance services.
- Social welfare services.
- Assistance to people affected and infected by HIV and AIDS.
- Administration of financial transfers to social welfare organization.
- Administration of food emergency scheme.
- Collection and analysis of social welfare information.
- Managed rehabilitation services.
- Provision of social grant to eligible people.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2006**

2.2 Inventories

The department's inventories' amount is R1,619 million indicated below.

Item	Value
Domestic consumables	107
Food and food supplies	541
Other consumables	412
Stationery and printing	559
Total	1,619

3. Capacity constraints

3.1 Challenges

During the year under review, the Department faced the following capacity constraints:

- Repositioning of social services
- Lack of Information management system
- Social welfare services
- Recruitment and retention of social workers
- Lack of capacity in terms of corporate services

3.2 Interventions

A draft organisational structure will be approved and is expected to serve as one of the instrument to be utilized in improving staff capacity.

A provincial organisational structure has been developed and approved more than ninety employees were appointed to provide care services.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2006**

3.3. Utilisation of donor funding

The Department received an amount of R110 thousand from the Department of Justice, out of a promissory amount of R150 thousand as a donation to Swartfontein Treatment Centre. The funds received were fully utilized for the purchase of furniture and equipment. The amount of R40 thousand was received subsequent to the end of the financial year under review.

4. Other organizations to whom transfer payments have been made

The Department made transfers to the value of R3,656 million as part of the departments poverty alleviation strategy. Reference is made to the table below on the amounts transferred per institution and the purpose for the transfer.

Transfer per category	Purpose	Amount transferred R'000	Accounting Arrangements
Municipal districts	For district council levies	312	Monthly reports
Departmental agencies and accounts	To facilitate the payment of social assistance grants	3,554,113	Monthly reconciliations and SOCPEN reports
Home based non-profit organizations and care giving individuals	To provide poverty alleviation to rural communities To render social home based care for people infected with HIV and AIDS within the communities	41,335	Contracts entered into with transferees and monthly reports are submitted where applicable
Social Welfare organizations	To render social welfare services	59,866	Contracts entered into with transferees
Leave gratuity	To compensate departmental officials for leave credits accumulated upon termination of services	37	Payment is determined as per the value of the credits and is unrequited

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2006**

5. Corporate governance arrangements

Risk based internal audit assignments were conducted as per the approved operational plan. Fraud prevention strategies were implemented including workshops on The Prevention and Combating of Corrupt Activities Act were conducted.

The audit committee was in place during the year under review and held three meetings. The following documents were submitted to the audit committee for review:

- Internal Audit Reports
- Annual Financial Statements
- Internal Audit Charter
- Audit Committee Charter
- Auditor General's Planning Memorandum
- One-year Internal Audit Operational Plan and the three-year strategic plan.
- Risk Strategies
- Risk Assessment

The senior managers of the Department were required to declare their financial interests by signing the financial disclosure forms. Members of the Bid Adjudication Committee were required to disclose their interest in the procurement process wherein they participated.

6. Discontinued activities

The Department has discontinued the management of Social Assistance Grants to be transferred to the management of the National Department of Social Development under its agency, the South African Social Security Agency (SASSA). The Department is still assisting with support services in terms of a Service Level Agreement with SASSA.

An agency agreement has been signed between the National Minister of Social Development and the MEC to provide corporate support until SASSA is capacitated.

7. New proposed activities

- Implementation of the Older Persons Bill
- Implementation of the Children's Bill

8. Events after the reporting period

The re-demarcation of cross-boundary municipalities required the Department to receive 88 personnel from the Limpopo Province. This transfer involves an amount of R498,415 thousands for personnel costs and R20,105 thousands for transfers to non-profit social welfare organizations. The total amount for

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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Social Welfare is R518,520 million. The Department is taking one facility which is Thulamahashe District Office.

Social Assistance will be dealt with by the National Social Security Agency. An amount of R6,796, million is to be transferred to the Limpopo Province for personnel costs.

A new organizational structure has been implemented where a Superintendent General has been appointed as the head of the department. Two positions of Deputy Director General for Health Services and for Social Services will be filled soon.

9. Performance information

Planning sessions were conducted in preparation of the departmental strategic plan, quarterly performance reports were prepared for purposes of performance evaluation and monitoring. These reports included both financial and non financial information and are informed by inputs from line function managers for purposes of reviewing the year plans. These reports are also submitted to the Macro Policy and Planning Unit in the Provincial Office of the Premier for evaluation. In compliance with reporting requirements of accounting officers, as envisaged in Section 40(4)(c), of the PFMA, the following in year monitoring reports were used to monitor progress in the implementation of departmental financial plans:

- In Year Monitoring System with actual expenditure outcomes, projections for the remainder of the year and explanations for material variances and corrective measures
- A reconciliation of the Paymaster General Account (PMG) as part of a monthly monitoring mechanism of the Department bank account.
- Revenue trend analysis report which indicates revenue collected and projections per hospital
- Cash Flow Projections in line with the cash flow requirements of the department.
- Ledger Reconciliation Report to monitor the ledger accounts and to ensure that suspense accounts are cleared timeously.
- Annual Financial Statements for the 2004/2005 financial year to provide an indication of the annual financial performance and position as at the 31 March 2005.

The Departmental three year Budget (MTEF) was compiled in line with the Strategic objectives of the Department and submitted timeously.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2006**

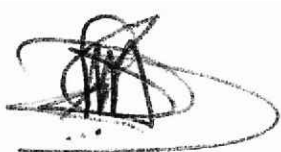
10. SCoPA Resolutions

The Department has not received SCoPA's recommendations for the 2004/05 financial year.

Reference to previous audit report and SCoPA resolutions	Subject	Findings on progress
Overpayment/misuse of social grants	The Department is encouraged to liaise with the Auditor General in procuring data from the relevant stakeholders.	The Department has liaised with the Office of the Auditor General and awaits a response.
Delays in the tabling of the 2003/04 Annual Reports	The Department must comply with the time frames for submission.	The Department has taken note of the recommendation and in future will comply.
Vehicle fleet management (2001/2002 audit report)	Vehicle management must be elevated and accorded its rightful status within the functions of the Provincial Administration. All reports generated by the fleet management system must be utilised to enhance efficiency.	A tender for a fleet management system has been advertised. All fleet management reports are utilised by the Department.
Asset management	The Provincial Treasury is to assume a leading role in the co-ordination of improvements.	Departmental officials attended training conducted by the Office of the Accountant General.

Approval

The annual financial statements set out on pages 55 to 121 have been approved by the Accounting Officer.



**DRE.T.C. MOLOKO
ACCOUNTING OFFICER
31 MAY 2006**



REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 13 DEPARTMENT OF HEALTH AND SOCIAL SERVICES: SOCIAL SERVICES FOR THE YEAR ENDED 31 March 2006

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 55 to 121, for the year ended 31 March 2006, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996, read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). The fixed asset opening balances have not been audited because of the timing of guidance from the National Treasury to the departments relating to the treatment, valuation and disclosure of fixed assets. These financial statements are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. SCOPE

The audit was conducted in accordance with the International Standards on Auditing read with *General Notice 544 of 2006*, issued in *Government Gazette* no. 28723 of 10 April 2006 and *General Notice 808 of 2006*, issued in *Government Gazette* no. 28954 of 23 June 2006. 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
- evaluating the overall financial statement presentation.

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

3. BASIS OF ACCOUNTING

The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as described in note 1.1 to the financial statements.

4. AUDIT OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Health and Social Services: Social Services at 31 March 2006 and the results of its operations and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury of South Africa, as described in note 1.1 to the financial statements, and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).

5. EMPHASIS OF MATTER

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

5.1 Accounts payable reconciliations

Accounts payable reconciliations were not performed during the year under review. Although the system reconciles Logistical Information System (Logis) and Basic Accounting System (BAS) transactions, human checks and confirmation of third-party statements and documentation still need to be performed to confirm the validity and accuracy of payments.

5.2 Split of the Department comparative figures

When the Department split into two votes, the programmes were also divided between the two components. The trial balance was, however, not divided consistently between the two components. Except for compensation of employees, an approved structure was furthermore not used to ensure that the split of the comparative figures was properly motivated.

5.3 Underexpenditure

The Department had underexpenditure of R184,191 million for the year under review, which consequently had a negative effect on service delivery. The main areas of under spending were on the social administration grant, mainly due to the non-appointment of staff, and on the social assistance transfers grant, mainly due to the termination of 6 067 beneficiary cases during the year as part of the amnesty process.

5.4 Computerised information systems (CIS) control environment

A disaster recovery plan and a business continuity plan were authorised but had not yet been implemented. Loss of files, systems documentation and data may consequently not be managed in such a manner as to be compliant with filing and record-keeping requirements.

5.5 Unauthorised journals

The Department did not keep supporting documentation to validate and support journals processed to the bank and cash account. Journals were processed online by one individual and were therefore not authorised by a senior official.

5.6 Vacant positions

The vacancy rate for the Department at the end of the period under audit was 66%, which exceeds the acceptable norm of 5%. This has impeded the department's service delivery.

5.7 Supply chain management

The Department did not comply with the requirements of the supply chain management framework in the following instances:

- Bid committee members were not trained in supply chain management.
- Tenders were not always invited for goods and services in excess of R200 000.
- The preferential point system was not always used when tenders were awarded.
- The Department did not monitor the performance of contractors.

5.8 Fixed asset register

Section 38(1)(d) of the PFMA and Treasury Regulation 10(1) prescribe that controls need to be implemented for the maintenance and safeguarding of assets. Treasury Regulation 10(1)(2) specifically states that the accounting officer must ensure that processes (whether manual or electronic) and procedures are in place for the effective, efficient, economical and transparent use of the institution's assets. Furthermore, guidance issued by the National Treasury for provincial departments, with regard to capital assets for the 2005-06 financial year, required that assets disclosed in the financial statements should agree to the asset register.

However, the following shortcomings were noted during the audit:

a) Incomplete asset register

The asset register did not comply with the asset management policy, in that the following details had not been included:

- Date of acquisition
- Depreciation rate and method of depreciation
- Accumulated depreciation
- Unique identification number

Management communicated other inherent limitations of Logis to the service provider.

b) Physical verification of assets

The following shortcomings noted during the physical inspection of assets resulted from the asset register not being updated when assets were moved from one location to another:

- Of the 33 assets selected from the asset register, 15 (45,5%) could not be physically verified on the floor.
- Of the 35 assets selected from the floor, 18 (51,4%) could not be traced to the asset register.

6. APPRECIATION

The assistance rendered by the staff of the Department of Health and Social Services: Social Services during the audit is sincerely appreciated.


B. M. M. Madliwa for Auditor-General

Nelspruit

31 July 2006



A U D I T O R - G E N E R A L



**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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**ACCOUNTING POLICIES
for the year ended 31 March 2006**

The 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 Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2005.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The 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 or when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

A comparison between actual and budgeted amounts per major classification of expenditure is included in the appropriation statement.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13**

**ACCOUNTING POLICIES
for the year ended 31 March 2006**

2 Revenue

2.1 Appropriated funds

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund, unless approval has been given by the National/Provincial Treasury to rollover the funds to the subsequent financial year. These rollover funds form part of retained funds in the annual financial statements. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the National/Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2.1 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

2.2.2 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

2.2.3 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.2.4 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the National/Provincial Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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**ACCOUNTING POLICIES
for the year ended 31 March 2006**

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.

2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised in the financial records when notification of the donation is received from the National Treasury or when the Department directly receives the cash from the donor(s). The total cash amounts received during the year is reflected in the statement of financial performance as revenue.

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements. The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. A receivable is recognised in the statement of financial position to the value of the amounts expensed prior to the receipt of the funds.

A payable is raised in the statement of financial position where amounts have been inappropriately expensed using local and foreign aid assistance, unutilised amounts are recognised in the statement of financial position.

3. Expenditure

3.1 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 (by no later than 31 March of each 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.

3.1.1 Short term employee benefits

Short term employee benefits comprise of leave entitlements (capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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**ACCOUNTING POLICIES
for the year ended 31 March 2006**

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the notes to the financial statements. These amounts are not recognised in the statement of financial performance.

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.1.2.2 Post employment benefits

The Department provides retirement benefits (pension 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 (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National/Provincial Revenue Fund and not in the financial statements of the employer department.

The Department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.2 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 (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used on a capital project.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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**ACCOUNTING POLICIES
for the year ended 31 March 2006**

3.4 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

3.5 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.6 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.7 Expenditure for capital assets

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 (by no later than 31 March of each year).

4 Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

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**ACCOUNTING POLICIES
for the year ended 31 March 2006**

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the statement of financial position.

5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made.

5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.4 Contingent liabilities

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

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**ACCOUNTING POLICIES
for the year ended 31 March 2006**

- 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 included in the disclosure notes.

5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

6. Net Assets

6.1 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made and recognised in a previous financial year becomes recoverable from a debtor.

7. Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.



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**APPROPRIATION STATEMENT
for the year ended 31 March 2006**

Appropriation per programme										
		2005/06							2004/05	
		Adjusted Appropriation	Shifting of funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Revised allocation R'000	Actual Expenditure R'000
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1	Administration									
	Current payments	47,033	0	0	47,033	46,996	37	99.9%	42,956	43,913
	Transfers and Subsidies	544	0	0	544	67	477	12.3%	260	3,560
	Payment for Capital assets	3,013	0	0	3,013	2,431	582	80.7%	5,094	837
2	Social Assistance									
	Current payments	236,068	0	0	236,068	181,286	54,782	76.8%	151,193	168,164
	Transfers and Subsidies	3,531,832	0	0	3,531,832	3,476,374	55,458	98.4%	2,995,969	2,976,391
	Payment for Capital assets	10,000	0	0	10,000	19,090	(9,090)	190.9%	899	2
3	Social Welfare Services									
	Current payments	65,643	0	0	65,643	64,241	1,402	97.9%	53,560	48,372
	Transfers and Subsidies	61,832	0	0	61,832	60,124	1,708	97.2%	60,271	65,947
	Payment for Capital assets	450	0	0	450	446	4	99.1%	6,126	224

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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**APPROPRIATION STATEMENT
for the year ended 31 March 2006**

Appropriation per programme										
		2005/06							2004/05	
		Adjusted Appropriation	Shifting of funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Revised allocation R'000	Actual Expenditure R'000
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4	Development and Support Services									
	Current payments	33,132	0	0	33,132	30,413	2,719	91.8%	46,625	26,899
	Transfers and Subsidies	38,890	0	0	38,890	41,364	(2,474)	106.4%	11,330	16,087
	Payment for Capital assets	1,633	0	0	1,633	1,126	507	69.0%	100	113
5	Social Development									
	Current payments	2,944	0	0	2,944	2,596	348	88.2%	3438	3093
	Transfers and Subsidies	5	0	0	5	4	1	80.0%	4	
	Payment for Capital assets	90	0	0	90	90	0	100%	70	25
TOTAL		4,033,109	0	0	4,033,109	3,926,648	106,461	97.4%	3,377,891	
Reconciliation with statement of Financial Performance										
Prior year unauthorised expenditure approved with Funding					77,730				-	
Departmental Revenue Received					6,974				2,415	
Actual amounts per statement of Financial Performance (Total Revenue)					4,117,813				3,380,306	
Prior year unauthorised Expenditure approved										
Prior year fruitless and wasteful expenditure condoned									-	
Actual amounts per Statement of Financial Performance						3,926,648				3,353,531

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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APPROPRIATION STATEMENT
for the year ended 31 March 2006

Appropriation per economic classification									
	2005/06							2004/05	
	Adjusted Appropriation	Shifting of funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Revised allocation R'000	Actual Expenditure R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current Payments									
Compensation of employees	122,070	0	0	122,070	105,379	16,691	86.3%	93,192	78,051
Goods and services	262,750	0	0	262,750	220,153	42,597	83.8%	204,510	212,290
Transfers and Subsidies to:									
Provinces and municipalities	758	0	0	758	312	446	41.2%	260	257
Departmental agencies and accounts	3,531,762	0	0	3,531,762	3,476,383	55,379	98.4%	2,997,756	2,979,465
Non-profit institutions	100,553	0	0	100,553	101,201	(648)	100.6%	69,814	82,107
Households	30	0	0	30	37	(7)	123.3%	-	160
Payments for capital assets									
Buildings and other fixed structures	0	0	0	0	0	0	0	2,997	4
Machinery and Equipment	15,186	0	0	15,186	23,183	(7,997)	152.7%	9,292	1,197
Software and other intangible assets	0	0	0	0	0	0	0	0	0
Total	4,033,109	0	0	4,033,109	3,926,648	106,461	97.4%	3,377,891	3,353,531

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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DETAIL PER PROGRAMME 1
for the year ended 31 March 2006

		2005/06							2004/05	
Programme per subprogramme		Adjusted Appropriation	Shifting of funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Revised allocation R'000	Actual Expenditure R'000
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1	Management Services									
	Current payments	0	0	0	0	0	0	0.0%	14,846	7,913
	Transfers and Subsidies	0	0	0	0	0	0	0.0%	30	22
	Payment for Capital assets	0	0	0	0	0	0	0.0%	94	37
1.2	Central Management									
	Current payment	0	0	0	0	0	0	0.0%	27,110	31,000
	Transfers and subsidies	0	0	0	0	0	0	0.0%	230	3,038
	Payment of capital assets	0	0	0	0	0	0	0.0%	4,000	700
1.3	District/Regional Management									
	Current payment	12,317	0	0	12,317	12,432	(115)	100.9%	1,000	5,000
	Transfers and subsidies	24	0	0	24	35	(11)	145.8%	0	500
	Payment of capital assets	349	0	0	349	399	(50)	114.3%	1000	100
1.4	Departmental Motor Transport									
	Current payment	2,953	0	0	2,953	2,350	603	79.6%	0	0
	Transfers and subsidies	4	0	0	4	0	4	0.0%	0	0
	Payment of capital assets	2,150	0	0	2,150	1,627	523	75.7%	0	0
1.5	Corporate Management									
	Current payment	27,728	0	0	27,728	28,816	(1,088)	103.9%	0	0
	Transfers and subsidies	513	0	0	513	29	484	5.7%	0	0
	Payment of capital assets	514	0	0	514	382	132	74.3%	0	0
1.6	Facilities Management									
	Current payment	4,035	0	0	4,035	3,398	637	84.2%	0	0
	Transfers and subsidies	3	0	0	3	3	0	100%	0	0
	Payment of capital assets	0	0	0	0	23	(23)	0.0%	0	0
Total		50,590	0	0	50,590	49,494	1,096	97.8%	48,310	48,310

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13**

**APPROPRIATION STATEMENT
for the year ended 31 March 2006**

Appropriation per economic classification									
Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Revised allocation R'000	Actual Expenditure R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current Payments									
Compensation of employees	21,752	0	0	21,752	21,363	389	98.2%	15,003	18,700
Goods and services	25,281	0	0	25,281	25,633	(352)	101.4%	27,953	25,213
Transfers and Subsidies to:	524	0	0	524	54	470	10.3%	260	69
Provinces and municipalities	0	0	0	0	0	0	0.0%	0	0
Departmental agencies and accounts	0	0	0	0	0	0	0.0%	0	0
Public corporations and enterprises	0	0	0	0	0	0	0.0%	0	0
Non-profit institutions	0	0	0	0	0	0	0.0%	0	3,444
Households	20	0	0	20	13	7	65%	0	47
Gifts and donations									
Payments for capital assets									
Buildings and other fixed structures	0	0	0	0	0	0	0.0%	2,997	4
Machinery and Equipment	3,013	0	0	3,013	2,431	582	80.7%	2,097	833
Software and other intangible assets	0	0	0	0	0	0	0.0%	0	0
Total	50,590	0	0	50,590	49,494	1,096	97.8%	48,310	48,310

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13**

**DETAIL PER PROGRAMME 2
for the year ended 31 March 2006**

		2005/06							2004/05	
Programme per subprogramme		Adjusted Appropriation	Shifting of funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Revised allocation R'000	Actual Expenditure R'000
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1	Social Assistance Administration									
	Current payments	236,068	0	0	236,068	181,286	54,782	76.8%	127,409	163,517
	Transfers and Subsidies	71	0	0	71	96	(25)	109.0%	9,781	149
	Payment for Capital assets	10,000	0	0	10,000	19,090	(9,090)	190.9%	699	0
2.2	Old Age									
	Current payments	0	0	0	0	0	0	0.0%	0	0
	Transfers and Subsidies	1,365,252	0	0	1,365,252	1,309,965	55,287	96.0%	1,477,225	1,328,073
	Payment for Capital assets	0	0	0	0	0	0	0.0%	0	0
2.3	War Veterans									
	Current payments	0	0	0	0	0	0	0.0%	0	0
	Transfers and Subsidies	1,054	0	0	1,054	982	72	93.2%	1,124	1,079
	Payment for Capital assets									
2.4	DisabilityGrant									
	Current payments	0	0	0	0	0	0	0.0%	0	47
	Transfers and Subsidies	794,495	0	0	794,495	736,756	57,739	92.7%	563,616	638,240
	Payment for Capital assets	0	0	0	0	0	0	0.0%	0	0
2.5	Grantinaid									
	Current payments	0	0	0	0	0	0	0.0%	0	0
	Transfers and Subsidies	0	0	0	0	0	0	0.0%	0	4
	Payment for Capital assets	0	0	0	0	0	0	0.0%	0	0
2.6	Foster Care									
	Current payments	0	0	0	0	0	0	0.0%	0	0
	Transfers and Subsidies	105,470	0	0	105,470	104,596	874	99.2%	48,140	66,878
	Payment for Capital assets	0	0	0	0	0	0	0.0%	0	0
2.7	Cared Dependency									
	Current payments	0	0	0	0	0	0	0.0%	0	0
	Transfers and Subsidies	46,846	0	0	46,846	44,419	2,427	94.8%	32,509	39,748
	Payment for Capital assets	0	0	0	0	0	0	0.0%	0	0

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13

DETAIL PER PROGRAMME 2
for the year ended 31 March 2006

		2005/06							2004/05	
Programme per subprogramme		Adjusted Appropriation	Shifting of funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Revised allocation R'000	Actual Expenditure R'000
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.8	Child Support									
	Current payments	0	0	0	0	0	0	0.0%	0	0
	Transfers and Subsidies	754,125			754,125	1,278,874	(524,749)	169.6%	627,545	642,738
	Payment for Capital assets	0	0	0	0	0	0	0.0%	0	0
2.9	Extension of Child Support									
	Current payments	457,795	0	0	457,795	0	457,795	0.0%	236,029	259,482
	Transfers and Subsidies	0	0	0	0	0	0	0.0%	200	2
	Payment for Capital assets	0	0	0	0	0	0	0.0%	0	0
2.10	Relief of Distress									
	Current payments	0	0	0	0	0	0	0.0%	0	0
	Transfers and Subsidies	6,724	0	0	6,724	686	6038	10.2%	0	0
	Payment for Capital assets	0	0	0	0	0	0	0.0%	0	0
Total		3,777,900	0	0	3,777,900	3,676,750	101,150	97.3%	3,148,061	3,144,557

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13**

**DETAIL PER PROGRAMME 2
for the year ended 31 March 2006**

Appropriation per economic classification									
Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Revised allocation R'000	Actual Expenditure R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current Payments									
Compensation of employees	44,000	0	0	44,000	30,463	13,537	69.2%	38,686	17,879
Goods and services	192,068	0	0	192,068	150,823	41,245	78.5%	112,507	150,285
Transfers and Subsidies to:									
Provinces and municipalities	70	0	0	70	96	(26)	137.1%		61
Departmental agencies and accounts	3,531,762	0	0	3,531,762	3,474,278	55,484	98.4%	2,995,969	2,976,239
Public corporations and enterprises	0	0	0	0	0	0	0.0%	0	0
Non-profit institutions	0	0	0	0	0	0	0.0%	0	0
Households	0	0	0	0	0	0	0.0%	0	91
Gifts and donations	0	0	0	0	0	0	0.0%	0	0
Payments for capital assets									
Buildings and other fixed structures	0	0	0	0	0	0	0.0%	0	0
Machinery and Equipment									
Software and other intangible assets	10,000	0	0	10,000	19,090	(9,090)	190.9%	899	2
	0	0	0	0	0	0	0.0%	0	0
Total	3,777,900	0	0	3,777,900	3,676,750	101,150	97.3%	3,148,061	3,144,557

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13**

**DETAIL PER PROGRAMME 3
for the year ended 31 March 2006**

		2005/06							2004/05	
Programme per subprogramme		Adjusted Appropriation	Shifting of funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Revised allocation R'000	Actual Expenditure R'000
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1	Administration and Support									
	Current payments	46,157	0	0	46,157	53,104	(6,947)	115.1%	20,459	39,944
	Transfers and Subsidies	132	0	0	132	243	(111)	184.1%	22,073	3,319
	Payment for Capital assets	450	0	0	450	428	22	95.1%	1,767	204
3.2	Prevention of Substance Abuse									
	Current payments	6,100	0	0	6,100	3,909	2,191	64.1%	3,938	2,640
	Transfers and Subsidies	2,357	0	0	2,357	1,639	718	69.5%	685	1,932
	Payment for Capital assets	0	0	0	0	18	(18)	0.0%	12	20
3.3	Care of the Older Persons									
	Current payments	369	0	0	369	399	(30)	108.1%	10,375	146
	Transfers and Subsidies	14,109	0	0	14,109	14,109	0	100.1%	4,080	17,530
	Payment for Capital assets	0	0	0	0	0	0	0.0%	4,087	
3.4	Crime Prevention Rehabilitation and Victim									
	Current payments	4,445	0	0	4,445	6,294	(1,849)	141.6%	4,817	5,327
	Transfers and Subsidies	2,878	0	0	2,878	2,790	88	96.9%	2,039	971
	Payment for Capital assets	0	0	0	0	0	0	0.0%	240	0
3.5	Service to the disabled									
	Current payments	0	0	0	0	0	0	0.0%	13,410	26
	Transfers and Subsidies	12,261	0	0	12,261	12,261	0	100.1%	0	12,616
	Payment for Capital assets	0	0	0	0	0	0	0.0%	0	0
3.6	Child and Youth Care Protection									
	Current payments	8,572	0	0	8,572	535	8,037	6.2%	561	289
	Transfers and Subsidies	30,095	0	0	30,095	29,082	1,013	96.6%	31,394	29,579
	Payment for Capital assets	0	0	0	0	0	0	0.0%	20	0
Total		127,925	0	0	127,925	124,811	3,114	97.6%	119,957	114,543

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13**

**DETAIL PER PROGRAMME 3
for the year ended 31 March 2006**

Appropriation per economic classification									
Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Revised allocation R'000	Actual Expenditure R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current Payments									
Compensation of employees	44,697	0	0	44,697	43,791	906	98.0%	33,932	34,307
Goods and services	20,946	0	0	20,946	20,450	496	97.6%	19,628	14,065
Transfers and Subsidies to:									
Provinces and municipalities	140	0	0	140	135	5	96.4%	0	106
Departmental agencies and accounts	0	0	0	0	105	(105)	0.0%	1,787	3,226
Public corporations and enterprises	0	0	0	0	0	0	0.0%	0	
Non-profit institutions	61,682	0	0	61,682	59,866	1,816	97.1%	58,484	62,593
Households	10	0	0	10	18	(8)	180.0%	0	22
Gifts and donations	0	0	0	0	0	0	0.0%	0	0
Payments for capital assets									
Buildings and other fixed structures	0	0	0	0	0	0	0.0%	0	0
Machinery and Equipment	450			450	446	4	99.1	6,126	224
Software and other intangible assets	0	0	0	0	0	0	0.0%	0	0
Total	127,925	0	0	127,925	124,811	3,114	97.6%	119,957	114,543

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13

DETAIL PER PROGRAMME 4
for the year ended 31 March 2006

		2005/06							2004/05	
Programme per subprogramme		Adjusted Appropriation	Shifting of funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Revised allocation R'000	Actual Expenditure R'000
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1	Administration									
	Current payments	7,323	0	0	7,323	8,254	(931)	112.7%	6,643	5,168
	Transfers and Subsidies	2	0	0	2	24	(22)	1200.0%	10	933
	Payment for Capital assets	400	0	0	400	299	101	74.8%	100	59
4.2	Alleviation									
	Current payments	5,558	0	0	5,558	17,954	(12,396)	323%	3,264	1,384
	Transfers and Subsidies	6	0	0	6	24,889	(24,883)	414816.7%	3,887	4,237
	Payment for Capital assets	0	0	0	0	570	(570)	0.0%	0	0
4.3	HIV AND AIDS (Community Based Care)									
	Current payments	7,122	0	0	7,122	4,205	2,917	59.0%	6,957	1,783
	Transfers and Subsidies	13,990	0	0	13,990	16,451	(2,461)	117.6%	5,281	8,762
	Payment for Capital assets	300	0	0	300	257	43	85.7%	0	54
4.4	FoodSecurity									
	Current payments	13,129	0	0	13,129	0	13,129	0.0%	29,761	18,464
	Transfers and Subsidies	24,892	0	0	24,892	0	24,892	0.0%	2,152	2,155
	Payment for Capital assets	933	0	0	933	0	933	0.0%	0	0
Total		73,655	0	0	73,655	72,903	752	99.0%	58,055	42,999

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13**

**DETAIL PER PROGRAMME 4
for the year ended 31 March 2006**

Appropriation per economic classification									
Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Revised allocation R'000	Actual Expenditure R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current Payments									
Compensation of employees	10,005	0	0	10,005	8,359	1,646	83.5%	3,658	5,415
Goods and services	23,127	0	0	23,127	22,054	1,073	95.4%	42,967	21,384
Transfers and Subsidies to:									
Provinces and municipalities	19	0	0	19	23	(4)	121.1%	0	17
Departmental agencies and accounts	0	0	0	0	0	0	0.0%	0	0
Non-profit institutions	38,871	0	0	38,871	41,335	(2,464)	106.3%	11,330	16,070
Households	0	0	0	0	6	(6)	0.0%	0	0
Payments for capital assets									
Buildings and other fixed structures	0	0	0	0	0	0	0.0%	0	0
Machinery and Equipment	1,633	0	0	1,633	1,126	507	69.0%	100	113
Software and other intangible assets	0	0	0	0	0	0	0.0%	0	0
Total	73,655	0	0	73,655	72,903	752	99.0%	58,055	42,999

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13

DETAIL PER PROGRAMME 5
for the year ended 31 March 2006

		2005/06							2004/05	
Programme per subprogramme		Adjusted Appropriation	Shifting of funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Revised allocation R'000	Actual Expenditure R'000
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1	Administration Support									
	Current payments	2,261	0	0	2,261	1,922	339	85.0%	2,527	2,081
	Transfers and Subsidies	5	0	0	5	4	1	80.0%	0	4
	Payment for Capital assets	90	0	0	90	90		100.0%	70	25
5.2	Research and Demographics									
	Current payments	300	0	0	300	291	9	97.0%	853	767
	Transfers and Subsidies	0	0	0	0	0	0	0.0%	0	0
	Payment for Capital assets	0	0	0	0	0	0	0.0%	0	0
5.3	Capacity Building									
	Current payments	383	0	0	383	383	0	100.0%	58	245
	Transfers and Subsidies	0	0	0	0	0	0	0.0%	0	0
	Payment for Capital assets	0	0	0	0	0	0	0.0%	0	0
Total		3,039	0	0	3,039	2,690	349	88.5%	3,508	3,122

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13**

**DETAIL PER PROGRAMME 5
for the year ended 31 March 2006**

Appropriation per economic classification									
Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Revised allocation R'000	Actual Expenditure R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current Payments									
Compensation of employees	1,616	0	0	1,616	1,403	213	86.8%	1,913	1,750
Goods and services	1,328	0	0	1,328	1,193	135	89.8%	1,525	1,343
Transfers and Subsidies to:									
Provinces and municipalities	5	0	0	5	4	1	80.0%	0	4
Departmental agencies and accounts	0	0	0	0	0	0	0.0%	0	0
Non-profit institutions	0	0	0	0	0	0	0.0%	0	0
Households	0	0	0	0	0	0	0.0%	0	0
Payments for capital assets									
Buildings and other fixed structures	0	0	0	0	0	0	0.0%	0	0
Machinery and Equipment	90	0	0	90	90	0	100.0%	70	25
Software and other intangible assets	0	0	0	0	0	0	0.0%	0	0
Total	3,039	0	0	3,039	2,690	349	88.5%	3,508	3,122

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13**

**NOTES TO THE APPROPRIATION STATEMENTS
for the year ended 31 March 2006**

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

Details of these transactions can be viewed on Annexure 1B to 1F and Note 6 of the Notes to Annual Financial Statements.

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

Details of these transaction can be viewed in note 2.

3. Explanations of material variances from amount voted (after virement)

3.1 Per Programme	Voted Funds after virement	Actual Expenditure	Variance	%
	R'000	R'000	R'000	
Administration	50,590	49,494	1,096	97,8%
Social Assistance	3,855,630	3,676,750	178,880	95,4%
Social Welfare Services	127,925	124,811	3,114	97,6%
Development and Support Services	73,655	72,903	752	98,9%
Analysis on Social Development	3,039	2,690	349	88,5%
Total	4,110,839	3,926,648	184,191	95,5%

Note

Included in the saving of the Department is an amount of R77, 730 that was appropriated for the over expenditure in programme (Social Assistance) 2 that was incurred in the financial year 2003/2004. The amount was not used to set-off the over expenditure since that expenditure was not condoned by the SCOPA.

Administration

The Programme has spent R49,494 million i.e. 97,8% of the budget of R50,590 billion with the under expenditure of R1,096 million due to the vacant posts that were not filled as well as on administrative items related to these posts

Social Assistance

The programme has spent R3,676 billion i.e. 95,4% of the budget of R 3,855 billion. The under spending in this programme is incurred as follows:

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13**

**NOTES TO THE APPROPRIATION STATEMENTS
for the year ended 31 March 2006**

- Social Administration Grant spent 81.5%. The total amount spent is R200,472 million of a total adjusted budget of R246,139 million and incurred a variance of R45,667 million.
- Social Assistance Transfers Grant spent 96,3%, that is R3,476 billion of a total adjusted budget of R3,609 billion and thus records a variance of R133 million.

The budget for the Social Assistance Administration Grant was increased from R163,139 million in the previous financial year to R246,139 million (an increase of over 50%) in the current financial year for the establishment of district offices and a provincial office for the management of social grants by the South African Social Security Agency. The Department managed this programme on the basis of a service level agreement signed with the National Department of Social Development. This agreement, although aimed at ensuring that access to social security grants by legible beneficiaries is not disrupted, excluded certain support functions, particularly the filling of vacant positions by the department,

The under expenditure of the amount of R45,667 million on the Social Administration Grants is thus a result of the non appointment of personnel; and this also affected the expenditure on the other management services. The process for the appointment of staff was dependent on the National Department of Social Development through its agency SASSA. An amount of R30,992 million has been requested for roll over to the current financial year for the continued management support.

The expenditure on the Social Assistance Transfers Grant is at 96.3% with the under expenditure of R133 million and this can be attributed to the 6,067 beneficiary cases that were terminated during the current financial year as part of the amnesty process. The interrogation of data on PERSAL and GEPP led to either the termination of beneficiaries wherein cases failed the means test or the reduction of the grant amount as determined by the means test.

Social Welfare Services

The programme has spent R124, 811 million i.e 97.6% of the budget of R127,925 million and it has under spend by R3,114 million due to delays in the submission of claims by Non Profit Organizations. The Department has made application for the roll over of funds for an amount of R3,231 million for continued social welfare services.

Development and Support Services

The programme has spent R72,903 million i.e. 99% of the budget of R73,655 million and has under spent by R752 thousand due to the vacant posts that were not filled as well as on administrative items related to these posts. An amount of R499 thousand on the HIV and AIDS (Community Based Care) has been requested for roll over to the current financial year for continued service delivery on this sub programme.

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13**

**NOTES TO THE APPROPRIATION STATEMENTS
for the year ended 31 March 2006**

Demographic Trends and Analysis on Social Development

The Programme has spent R2,690 million i.e. 88.5% of the budget of R3,039 million with the under expenditure of R349,000 due to the vacant posts that were not filled as well as on administrative items related to these posts.

Per Economic classification	2005/06 R'000	2004/05 R'000
Current payments:		
Compensation of employees	105,379	78,051
Goods and services	220,153	212,290
Transfers and subsidies:		
Provinces and Municipalities	312	257
Departmental agencies and Account	3,476,383	2,979,465
Non-profit institutions	101,201	82,107
Households	37	160
Payments for capital assets:		
Buildings and other fixed structures	0	4
Machinery and equipment	23,183	1,197
Total	3,926,648	3,353,531

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2006**

	<i>Note</i>	2005/06 R'000	2004/05 R'000
REVENUE			
Annual appropriation	1	4,033,109	3,377,891
Appropriation for unauthorised expenditure approved	2	77,730	0
Departmental revenue	3	6,974	2,415
TOTAL REVENUE		4,117,813	3,380,306
EXPENDITURE			
Current expenditure			
Compensation of employees	4	105,379	78,051
Goods and services	5	220,153	212,290
Unauthorised expenditure approved		0	0
Total current expenditure		325,532	290,341
Transfers and subsidies	6	3,577,933	3,061,989
Expenditure for capital assets			
Buildings and fixed structures	7	0	4
Machinery and equipment	7	23,183	1,197
Total expenditure for capital assets		23,183	1,201
TOTAL EXPENDITURE		3,926,648	3,353,531
NET SURPLUS/(DEFICIT) FOR THE YEAR		191,165	26,775
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds	1	184,191	24,360
Departmental revenue	14	6,974	2,415
NET SURPLUS/(DEFICIT) FOR THE YEAR		191,165	26,775

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2006**

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
ASSETS			
Current assets		213,876	77,892
Unauthorised expenditure	2	77,730	77,730
Fruitless and wasteful expenditure	8	69	69
Cash and cash equivalents	9	135,160	19
Prepayments and advances	10	466	12
Receivables	11	451	62
TOTAL ASSETS		213,876	77,892
LIABILITIES			
Current liabilities		213,871	77,892
Voted funds to be surrendered to the Revenue Fund	12	72,102	25,967
Departmental Revenue to be surrendered to the Revenue Fund	13	4,799	0
Payables	14	136,970	51,925
TOTAL LIABILITIES		213,871	77,892
NET ASSETS		5	0

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
VOTE 13**

**STATEMENTS OF CHANGES IN NET ASSETS
for the year ended 31 March 2006**

	<i>Note</i>	2005/06 R'000	2004/05 R'000
Recoverable revenue			
Opening balance		0	0
Debts raised		5	0
Closing balance		<u>5</u>	<u>0</u>
TOTAL		<u><u>5</u></u>	<u><u>0</u></u>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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**CASH FLOW STATEMENTS
for the year ended 31 March 2006**

	<i>Note</i>	2005/06 R'000	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		4,005,646	3,380,225
Annual appropriated funds received	1.1	3,921,020	3,377,891
Appropriation for unauthorized expenditure received	2	77,730	0
Departmental Revenue received		<u>6,896</u>	<u>2,334</u>
Net (increase)/decrease in working capital		84,202	7
Surrendered to Revenue Fund		(28,142)	(25,118)
Current payments		(325,532)	(290,341)
Transfers and subsidies paid		<u>(3,577,933)</u>	<u>(3,061,989)</u>
Net cash flow available from operating activities	15	<u>158,241</u>	<u>2,784</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(23,183)	(1,201)
Proceeds from sale of capital assets	3	<u>78</u>	<u>81</u>
Net cash flows from investing activities		<u>(23,105)</u>	<u>(1,120)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net asserts		<u>5</u>	<u>0</u>
Net cash flows from investing activities		<u>5</u>	<u>0</u>
Net increase/(decrease) in cash and cash equivalents		135,141	1,664
Cash and equivalents at the beginning o the financial year		<u>19</u>	<u>(1,645)</u>
Cash and cash equivalents at the end of the period		<u>135,160</u>	<u>19</u>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

1 Annual Appropriation

Programmes	Total Appropriation	Actual Appropriation Received	Variance over/(under)	Total Appropriation 2004/05
	R'000	R'000	R'000	R'000
Administration	50,590	50,590	0	48,310
Social Assistance	3,777,900	3,665,811	112,089	3,148,061
Social Welfare Services	127,925	127,925	0	119,957
Development and Support Services	73,655	73,655	0	58,055
Demographic trends and Analysis	3,039	3,039	0	3,508
Total	4,033,109	3,921,020	112,089	3,377,891

Explanation of material variances:

The variance of R112,089 million was not transferred to the Department by the National Treasury, in the year under review.

	Note	2005/06	2004/05
		R'000	R'000
1.2			
Conditional grants		3,915,996	304,164
Total grants received	Annexure 1A	3,915,996	304,164

	Notes	2005/06	2004/05
		R'000	R'000
2 Unauthorised expenditure			
2.1 Reconciliation of unauthorized expenditure			
Opening balance		77,730	927
Unauthorised expenditure current -year		0	0
Unauthorised expenditure approved by Legislature – current expenditure		0	0
Transfer to receivables for recovery(not approved)		0	
			76,803
Unauthorised expenditure awaiting authorization		77,730	77,730

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

3.	Departmental revenue to be surrendered to the revenue fund	Note	2005/06	2004/05
	Description		R'000	R'000
	Sales of goods and services other capital assets		354	965
	Interest, dividends and rent on land		6,542	1,369
	Sales of capital assets		78	81
	Total revenue collected		6,974	2,415
	Less Departmental Revenue Budgeted		0	0
	Total grants received		6,974	2,415
4.	Compensation of employees			
4.1	Salaries and wages			
	Basic salary		76,736	52,433
	Performance award		10	9
	Service based		89	69
	Compensative/circumstantial		2,126	8,298
	Periodic payments		688	403
	Other non-pensionable allowances		11,962	5,077
	Total		91,611	66,289
4.2	Social contributions			
4.2.1	Employer contributions			
	Pension		8,861	7,532
	Medical		4,679	4,208
	Bargaining council		25	22
	Insurance		203	0
			13,768	11,762
	Total compensation of employees		105,379	78,051
	Average number of employees		895	600

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

	<i>Notes</i>	2005/06 R'000	2004/05 R'000
5 Goods and services			
Advertising		9,988	3,677
Attendance fees (including registration fees)		48	375
Bank charges and card fees		1,106	491
Bursaries (employees)		4	8,425
Communication		5,778	947
Computer services		1,228	14,522
Consultants, contractors and special services		506	27,104
Courier and delivery services		0	45
Tracing agents and debt collectors		0	2,049
Entertainment		4	303
External audit fees		81	970
Equipment less than R5 000		1,113	11,927
Government motor transport		2,592	17,231
Honoraria (Voluntary workers)		104	764
Inventory		11,887	52,427
Legal fees		0	2,035
Medical services		133	0
Maintenance, repairs and running costs		4,401	1,642
Operating leases		2,289	4,259
Plant, flowers and other decorations		0	20
Printing and publications		0	200
Professional bodies and membership fees		2	100
Resettlement costs		159	700
System access fees		133,449	41,000
Owned leasehold property expenditure		24,801	0
Transport provided as part the departmental activities		6,269	500
Travel and subsistence		9,730	14,354
Venue and facilities		775	622
Protective, special clothing and uniform		0	500
Training and staff development		957	5,101
Witness and related fees		2,749	0
Total		220,153	212,290

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

	<i>Note</i>	2005/06 R'000	2004/05 R'000
5.1 External audit fees			
Regulatory audits		81	970
Total external audits		81	970
5.2 Inventory			
Domestic consumables		391	10,316
Food and food supplies		7,981	28,466
Fuel, oil and gas		22	96
Laboratory consumables		9	0
Other consumables		0	1,415
Parts and other maintenance material		7	0
Stationery and Printing		3,477	12,134
Total		11,887	52,427
5.3 Travel and subsistence			
Local		9,651	14,354
Foreign		79	0
Total travel and subsistence		9,730	14,354
6. Transfers and subsidies			
Provinces and municipalities	<i>Annex 1B</i>	312	257
Departmental agencies and accounts	<i>Annex 1C</i>	3,476,383	2,979,465
Non-profit institutions	<i>Annex 1D</i>	101,201	82,107
Households	<i>Annex 1E</i>	37	160
Unauthorised expenditure approved by Parliament		0	0
		3,577,933	3,061,989

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

	<i>Note</i>	2005/06 R'000	2004/05 R'000
7. Expenditure for capital assets			
Buildings and other fixed structures	<i>Annex 3</i>	0	4
Machinery and equipment	<i>Annex 3</i>	23,183	1,197
Total		23,183	1,201
8. Fruitless and wasteful expenditure			
8.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		69	69
Fruitless and wasteful expenditure current –year		0	0
Fruitless and wasteful expenditure approved by Legislature – current expenditure		0	0
Fruitless and wasteful expenditure awaiting approval		69	69
9. Cash and cash equivalents			
Consolidated Paymaster General Account			
Cash receipts		0	19
Disbursements		(23,832)	0
Cash on hand		5	0
Cash with commercial banks		158,987	0
Total		135,160	19
10. Prepayments and advances			
Prepayments		0	12
Advances to other entities		466	0
Total		466	12

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

				Note	2005/06 R'000	2004/05 R'000
11. Receivables						
	Note	Less than one year	One to three years	Older than three years	Total	Total
Household and Non- Profit Institutions	11.1	23	0	0	23	0
Private enterprises	11.2	2	0	0	2	2
Staff debt	11.3	354	12	0	366	59
Other Debtors	11.4	60	0	0	60	1
		439	12	0	451	62
11.1 Household and Non- Profit Institutions						
Transfers					23	0
					23	0
11.2 Private enterprises						
Medical Aid					2	2
					2	2
11.3 Staff debt						
Staff over payment					366	59
					366	59
11.3 Other Debtors						
Tax Debt					0	1
Government pension					13	0
Government Tax					47	0
Total					60	1

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

		Note	2005/06 R'000	2004/05 R'000		
12.	Voted funds to be surrendered to the Revenue Fund					
	Opening balance		25,967	24,310		
	Transfer from Statement of Financial Performance		184,191	24,360		
	Voted funds not requested/received	12.1	(112,089)	0		
	Paid during the year		(25,967)	(22,703)		
	Closing balance		<u>72,102</u>	<u>25,967</u>		
12.1	Voted funds not requested/ not received					
	Funds to be rolled over		30,992	0		
	Funds not to be requested		81,097	0		
			<u>112,089</u>	<u>0</u>		
13.	Departmental receipts to be surrendered to the Revenue Fund					
	Opening balance		0	0		
	Transfer from Statement of Financial Performance		6,974	2,415		
	Paid during the year		(2,175)	(2,415)		
	Closing balance		<u>4,799</u>	<u>0</u>		
14.	Payables – current					
		30 Days	30+Days	Total		
	Other payables	14.1	136,970	0	136,970	51,925
			<u>136,970</u>	<u>0</u>	<u>136,970</u>	<u>51,925</u>

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

	<i>Note</i>	2005/06	2004/05
		R'000	R'000
14.1 Other payables			
Advance from Treasury		136,961	51,860
Sal: Pension und		4	0
Sal: ABC Recalls		5	65
		<u>136,970</u>	<u>51,925</u>
 15. From operating activities to surplus/(deficit)			
Net surplus as per Statement of Financial performance		191,165	26,775
(Increase)/decrease in receivables – current		(389)	(6)
(Increase)/decrease in prepayments and advances		(454)	(12)
Increase/(decrease) in payables current		85,045	24
Increase/(decrease) in other current asserts		0	0
Proceeds from sale of equipment		(78)	(80)
Surrenders to revenue fund		(28,142)	(25,118)
Capital expenditure		23,183	1,201
Voted funds not requested/not received		(112,089)	0
 Net cash flow generated by operating activities		<u>158,241</u>	<u>2,784</u>
 16. Appropriated funds and departmental revenue surrendered			
 Appropriated funds surrendered		25,967	22,703
Departmental revenue surrendered		2,175	2,417
		<u>28,142</u>	<u>25,118</u>

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

				2005/06	2004/05
				R'000	R'000
17. Contingent liabilities					
Liable to	Nature				
Housing loan guarantees	Employees	<i>Annex 2A</i>		1,074	0
Total				<u>1,074</u>	<u>0</u>
18. Commitments per programme					
Current expenditure					
Approved and contracted				5,209	1,041
				<u>5,209</u>	<u>1,041</u>
19. Capital expenditure					
Approved and contracted				1,002	61
				1,002	61
Total commitments				<u>6,211</u>	<u>1,102</u>
20. Accruals					
Listed by economic classification					
	30 days	30+Days	Total		Total
Compensation of employees	0	0	0		0
Goods and services	3	5	8		458
Transfers and subsidies	691	198	889		0
Machinery and equipment	0	2	2		0
	<u>694</u>	<u>205</u>	<u>899</u>		<u>458</u>
Listed by programme level					
			Total		Total
Administration	0	0	0		
Social Assistance	0	0	0		458
Social Welfare Services	694	205	899		0
Development and Support Services	0	0	0		0
Demographic Trends and Analysis	0	0	0		0
	<u>694</u>	<u>205</u>	<u>899</u>		<u>458</u>

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

		2005/06	2004/05
		R'000	R'000
Confirmed balances with other departments	Annex 5		
Department of Justice		0	1,665
		0	1,665
21. Employee benefits			
Leave entitlement		4,376	11,858
Thirteenth cheque		3,060	2,281
Capped leave commitment		9,795	8,891
		17,231	23,030
22. Lease commitments			
23.1 Operating leases	Buildings and other fixed structures	Machinery and Equipment	Total
Not later than 1 year	0	0	7
Later than 1 year and not later than 5 years	136	1,777	41
Later than 5 years	0	0	200
	136	1,777	248
23. Key management personnel	No. of individuals		
Level 14	1	559	534
Total		559	534

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	Division of Revenue Act/Provincial Grants	Roll Overs	DORA Adjustme nts	Other Adjustme nts	Total Available	Amount Received by Departme nt	Amount Spent by Departme nt	% of Available funds spent by Departme nt	Division of Revenue Act	Amount Spent by Departm ent
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
National Department of Social Development: Social Administration	246,139	0	0	0	246,139	193,771	200,472	81.5%	0	0
National Department of Social Development: Social Assistance	3,531,761	0	0	77,730	3,609,491	3,609,491	3,476,278	96.3%	0	0
National Department of Social Development: Child Support Extension	0	0	0	0	0	0	0	0.0%	260,013	260,013
National Department of Social Development: Food Security	27,651	11,304	0	0	38,955	38,954	38,954	100.0%	31,913	20,609
National Department of Social Development: HIV AND AIDS	20,619	793	0	0	21,412	21,412	20,913	97.7%	12,238	11,445
Total	3,826,170	12,097	0	77,730	3,915,997	3,863,628	3,736,617	95.4%	304,164	292,067

The reasons for the under-spending for the Social Administration Grant are as stated under number 2.1 of the

Notes to the Appropriation Statement of these Annual Financial Statements.

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

ANNEXURE 1B
STATEMENT OF TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	TRANSFER ALLOCATION			TRANSFER		SPENT		2004/2005		
	Amount 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	% of Available funds spent by municipality R'000
Nkangala District	92	0	0	92	96	104.3%	96	96	100.0%	100
Gert Sibabnde District	69	0	0	69	134	194.2%	134	134	100.0%	75
Enhlanzeni District	597	0	0	597	82	13.7%	82	82	100.0%	85
Total	758	0	0	758	312	41.2%	312	312	100.0%	260

The under-spending is attributed to funds budgeted for transfer to these municipalities on the basis of employees appointed on vacant budgeted posts. These are funds for regional service council levies (RSCL) and are determined by the number of employees attached to the districts

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

**ANNEXURE 1C
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENTS/ AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2004/2005
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred	
Empilweni Payout	2,101,295	0	0	2,101,295	1,842,368	87.7%	1,646,471
ACB	823,519	0	0	823,519	669,177	81.3%	776,905
Post Office	597,935	0	0	597,935	954,978	159.7%	564,090
EBT	9,013	0	0	9,013	9,755	108.2%	8,503
Other Agencies	0	0	0	0	105	0.0%	0
Total	3,531,762	0	0	3,531,762	3,476,383	98.4%	2,995,969

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

NON PROFIT ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2004/2005
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred	
Transfers							
Social Welfare Organizations	61,682	0	0	61,682	59,866	97.1%	119,957
Community Home Based Care(HIV AND AIDS)	13,985	0	0	13,985	16,449	117.6%	11,897
Integrated Social Services Grant	24,892	0	0	24,892	24,889	100%	32,649
Total	100,559	0	0	100,559	101,201	100.6%	164,503

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

ANNEXURE 1E
STATEMENT OF TRANSFERS TO HOUSEHOLDS

NON PROFIT ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2004/2005
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred	
Transfers							
Leave Gratuity	0	0	30	30	37	123.3%	160
Total	0	0	30	30	37	123.3%	160

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

ANNEXURE 1F

**STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT FOR THE YEAR ENDED 31 MARCH
2006**

Grant Type	April05 R'000	May 05 R'000	June 05 R'000	July 05 R'000	Aug 05 R'000	Sept 05 R'000	Oct 05 R'000	Nov 05 R'000	Dec 05 R'000	Jan 06 R'000	Feb 06 R'000	March 06 R'000	Total R'000
Old Age	51,431	397,571	204,775	3,022	133,859	129,334	212,375	(166,852)	24,645	170,119	111,141	38,567	1,309,967
War Veterans	0	329	87	81	86	83	0	248	81	(161)	79	69	982
Disability	0	57,534	58,511	58,114	60,169	62,810	195	175,740	60,228	87,890	59,807	55,758	736,756
Grants in aid	0	0	0	0	0	0	0	0	0	0	0	0	0
Foster Care	0	7,548	7,935	8,279	8,405	9,343	(5)	25,680	9,386	9,104	9,069	9,851	104,595
Care	0	3,541	3,663	3,523	3,893	21,196	(4)	11,122	(13,505)	3,731	3,674	3,584	44,418
Dependency													
Child Support	0	90,929	93,776	98,704	102,984	159,851	(88)	305,197	110,685	105,469	110,057	101,337	1,278,874
Grant													
Relief of Distress	0	0	0	16	17	0	0	0	(16)	0	16	653	686
Total	51,431	557,452	368,727	171,739	309,413	382,617	212,473	351,135	191,477	376,152	293,843	209,819	3,476,278

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006**

ANNEXURE 1G

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31
MARCH 2006**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2005/06	2004/05
		R'000	R'000
Received in cash			
Durban Magistrate Court	Cash received for the purchase of furniture and equipment for the Swartfontein Care centre.	110	0
TOTAL		110	0

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

ANNEXURE 2 A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006

Guarantor institution	Guarantee in respect of Housing	Original guaranteed capital amount	Opening balance 1 April 2005	Guarantees issued during the year	Guarantees released/paid/ cancelled/reduced during the year	Guaranteed interest for year ended 31 March 2006	Closing balance 31 March 2006	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank	Housing	0	0	412	(71)	0	341	
Nedbank limited	Housing	0	0	83	0	0	83	
First National bank	Housing	0	0	222	(93)	0	129	
ABSA	Housing	0	0	605	(327)	0	278	
People's bank	Housing	0	0	110	(42)	0	68	
Nedbank limited Incorporation	Housing	0	0	5	0	0	5	
Old mutual Finance Bank	Housing	0	0	128	(53)	0	75	
Mpumalanga Housing Finance Company	Housing	0	0	100	(18)	0	82	
Green Start Home Loans	Housing	0	0	13	0	0	13	
Total	Housing	0	0	1,678	(604)	0	1,074	

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

ANNEXURE 3
CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDING AND OTHER FIXED STRUCTURES	4	0	0	4
Dwellings	0			
Non-residential buildings	4	0	0	4
MACHINERY AND EQUIPMENT	1,197	23,183	78	24,306
Transport assets	500	8,190	78	8,612
Computer equipment	0	5,243	0	5,243
Furniture and office equipment	0	9,565	0	9,565
Other machinery and equipment	697	185	0	882
TOTAL CAPITAL ASSETS	1,201	23,183	78	24,306

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2006

ANNEXURE 3.1
ADDITIONAL MOVEMENTS SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash R'000	In-Kind R'000	Total R'000
MACHINERY AND EQUIPMENT	23,183	0	23,183
Transport assets	8,190	0	8,190
Computer equipment	5,243	0	5,243
Furniture and office equipment	9,565	0	9,565
Other machinery and equipment	185	0	185
TOTAL CAPITAL ASSETS	23,183	0	23,183

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ANNEXURE 3.2
DISPOSALS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cost/Carrying cost Amount	Cash	Profit/(loss) on disposal
	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	0	78	78
Transport assets	0	78	78
Computer equipment	0	0	0
Furniture and office equipment	0	0	0
Other machinery and equipment	0	0	0
TOTAL CAPITAL ASSETS	0	78	78

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ANNEXURE 3.3
CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005

	Additions R'000	Disposals R'000	Total Movement R'000
BUILDING AND OTHER FIXED STRUCTURES			
Non-residential buildings	4	0	4
MACHINERY AND EQUIPMENT			
Transport assets	500	81	419
Computer equipment	0	0	
Furniture and office equipment	0	0	
Other machinery and equipment	697	0	697
TOTAL CAPITAL ASSETS	1,201	81	1,120

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ANNEXURE 4.
INTER-GOVERNMENT RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of Justice	-	-	700	-	700	1,665
TOTAL	-	-	700	-	700	1,665

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ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2006	31/03/2005	31/03/2006	31/03/2005	31/03/2006	31/03/2005
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Department of Justice	0	1,665	0	0	0	1,665
Total	0	1,665	0	0	0	1,665



5. HUMAN RESOURCE MANAGEMENT

5.1. Expenditure

Department budget in terms of clearly defined programmes.

The following tables summarise final audited expenditure by programme (Table 5.1.1) and by salary bands (Table 5.1.2). It provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

TABLE 5.1.1 Personnel costs by programme, 2005/ 06

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training /Admin Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
PR1: Administration	49494	21363	0	0	43.2	41
PR3: Social Welfare Services	124811	43794	0	0	35.1	84
PR4: Development & supp serv	72903	8358	0	0	11.5	16
PR5: demo & analy on soc dev	2690	1403	0	0	52.2	3
Total	249898	74918	0	0	30	143

TABLE 5.1.2 Personnel costs by salary bands, 2005/ 06

Salary bands	Personnel Expenditure (R'000)	% of total Personnel costs	Average personnel cost per employee	Total personnel expenditure	Number of employees
Lower skilled (Levels 1-2)	2827	4.5	415750	74555	8
Skilled (Levels 3-5)	6430	3.8	47117	74555	60
Highly skilled production (Levels 6-8)	39923	6.2	63425	74555	73
Highly skilled supervision (Levels 9-12)	22412	46.8	137996	74555	253
Senior management (Levels 13-16)	3326	29.8	231135	74555	96
Total	74918		895423	372775	524

TABLE 5.1.3 Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2005/ 06

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
PR1: Administration	12291	67	448	2.4	263	1.4	879	4.8
PR3: Social Welfare Service	31786	69.5	96	0.2	402	0.9	1971	4.3
PR4: Development & supp serv	6264	70.2	39	0.4	78	0.9	274	3.1
PR5 Population Unit	996	64.6	0	0	27	1.8	41	2.7
Total	51337	68.9	583	0.8	770	1	3165	4.2

5.2. Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. The information is presented in terms of three key variables: - programme (Table 5.2.1), salary band (Table 5.2.2) and critical occupations (Table 5.2.3). Departments have identified critical occupations that need to be monitored. Table 5.2.3 provides establishment and vacancy information for the key critical occupations of the department.

The vacancy rate reflects the percentage of posts that are not filled.

TABLE 5.2.1 Employment and vacancies by programme, 31 March 2006

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
PR1 Administration	550	150	72.2	0
PR3 Social Welfare Services	681	300	55.7	0
PR4 Development & Supp Serv	264	67	75	30
PR5 Demogr & Anal on soc dev	28	7	75	0
Total	1523	524	65.4	30

TABLE 5.2.2 Employment and vacancies by salary bands, 31 March 2006

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	194	55	71.6	0
Skilled (Levels 3-5)	502	120	75.8	9
Highly skilled production (Levels 6-8)	704	255	62.2	24
Highly skilled supervision (Levels 9-12)	109	86	50.5	1
Senior management (Levels 13-16)	14	8	2	0
Total	1523	524	65.4	30

TABLE 5.2.3 Employment and vacancies by critical occupation, 31 March 2006

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Social Workers	322	188	50.9	0
Development Implementation Support	264	57	74.1	30 contract
Total	586	245	68	30 contract





5.3. Job Evaluation

The following table (Table 5.3.1) 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 5.3.1 Job Evaluation, 1 April 2005 to 31 March 2006

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	194	0	0	0	0	0	0
Skilled (Levels 3-5)	502	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	109	41	0	12	29	0	0
Senior Management Service Band A	14	0	0	0	0	0	0
Senior Management Service Band B	0	0	0	0	0	0	0
Total	1523	223	0	194	87	0	0

TABLE 5.3.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2005 to 31 March 2006

194 Social Workers were upgraded with effect from 1 April, but the implementation was from April 2005

TABLE 5.3.3 Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2005/06

None

5.4. 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 5.4.1) and by critical occupations (Table 5.4.2). (These "critical occupations" should be the same as those listed in Table 5.2.3)



TABLE 5.4.1 Annual turnover rates by salary band for the period 1 April 2005 to 31 March 2006

Salary Band	Number of employees per band as on 1 April 2005	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	43	13	1	2.3
Skilled (Levels 3-5)	61	33	0	0
Highly skilled production (Levels 6-8)	275	41	10	3.6
Highly skilled supervision (Levels 9-12)	47	2	3	6.4
Senior Management Service Band A	6	0	0	0
Senior Management Service Band B	1	0	0	0
Total	433	107	16	3.6

TABLE 5.4.2 Annual turnover rates by critical occupation for the period 1 April 2005 to 31 March 2006

Occupation:	Number of employees per occupation as on 1 April 2005	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Social Workers	198	21	7	3.5
Development Implementation	37	8	2	5.4
Total	235	29	9	

TABLE 5.4.3 Reasons why staff are leaving the department

Termination Type	Number	% of total
Death	4	25
Resignation	10	62.5
Expiry of contract	0	0
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	2	12.5
Transfers to other Public Service Departments	0	0
Other	0	0
Total	16	0
Total number of employees who left as a % of the total employment		3.0

TABLE 5.4.4 Promotions by critical occupation

Occupation:	Employees as at 1 April 2005	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Social Workers	198	11	5.6	95	48
Development Implementation Support	37	0	0	6	16.2
Total	235	11	5.6	101	



TABLE 5.4.5 Promotions by salary band

Salary Band	Employees 1 April 2005	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 as a % of employees by salary band
Lower skilled (Levels 1-2)	43	0	0	21	48.8
Skilled (Levels 3-5)	61	1	1.7	19	32.8
Highly skilled production (Levels 6-8)	275	17	6.2	100	36.2
Highly skilled supervision (Levels 9-12)	47	15	31.9	32	68.1
Senior Management (Levels 13-16)	7	1	16.7	0	0
Total	433	34	7.6	172	38.2

5.5. Employment Equity

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

5.5.1. Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2006.

TABLE 5.5.1 Total number of employees in terms of occupational categories.

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers, Permanent	2	0	0	0	6	0	0	0	8
Professionals, Permanent	98	1	0	6	218	1	1	24	349
Clerks, Permanent	30	0	1	2	54	1	1	10	99
Service and sales workers, Permanent	2	0	0	0	2	0	0	0	4
Plant and machinery operators and assemblers, Permanent	3	0	0	0	0	0	0	0	3
Elementary occupations	14	0	0	0	46	0	0	0	60
Other, Permanent	0	0	0	0	1	0	0	0	1
Total	149	1	1	8	327	2	2	34	524



TABLE 5.5.2. Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	2	0	0	0	6	0	0	0	8
Professionally qualified and experienced specialists and mid-management	23	0	0	4	54	1	0	14	96
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	63	1	0	3	166	0	1	19	253
Semi-skilled and discretionary decision making	24	0	1	1	43	1	1	1	72
Unskilled and defined decision making	17	0	0	0	43	0	0	0	60
Not available, Permanent	0	0	0	0	1	0	0	0	1
Contract (Skilled technical), Permanent	18	0	0	0	12	0	0	0	30
Contract (Semi-skilled), Permanent	2	0	0	0	2	0	0	0	4
Total	149	1	1	8	327	2	2	34	524

TABLE 5.5.3. Recruitment for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	2	0	0	0	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	16	0	0	0	22	0	0	3	41
Semi-skilled and discretionary decision making	9	0	1	0	23	1	0	0	34
Unskilled and defined decision making	6	0	0	0	7	0	0	0	13
Total	33	0	1	0	52	1	0	3	90
Employees with disabilities	1	0	0	0	0	0	0	0	1



TABLE 5.5.4. Promotions for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0		0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	9	0	0	2	28	0	0	8	47
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	23	0	0	1	84	0	0	9	117
Semi-skilled and discretionary decision making	8	0	0	0	11	0	1	0	20
Unskilled and defined decision making	4	0	0	0	17	0	0	0	21
Total	44	0	0	3	141	0	1	17	206
Employees with disabilities	0	0	0	0	2	0	0	0	2

TABLE 5.5.5 Terminations for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	1	4	0	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	0	4	0	0	3	10
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	1	0	0	0	0	0	0	0	1
Total	4	0	0	1	8	0	0	3	16
Employees with disabilities	0	0	0	0	0	0	0	0	0

TABLE 5.5.6 Disciplinary action for the period 1 April 2005 to 31 March 2006

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	3	0	0	3	0	2	0	2	10

TABLE 5.5.7 Skills development for the period 1 April 2005 to 31 March 2006

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0	0	0	0	0	0	0	0	0
Professionals	14	01	0	01	89	01	0	02	108
Clerks	32	0	0	0	49	0	0	0	81
Elementary occupations	3	0	0	0	7	0	0	0	10
Total	49	01	0	01	145	01	0	02	199
Employees with disabilities	0	0	0	0	1	0	0	0	1

5.6. Performance Rewards

TABLE 5.6.1 – Performance Rewards by race, gender, and disability, 1 April 2005 to 31 March 2006

	Number of beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African Female	1	325	0.3	6	6286
African Male	1	148	0.7	3	2516
Asian Female	0	2	0	0	0
Asian Male	0	1	0	0	0
Coloured Female	0	2	0	0	0
Coloured Male	0	1	0	0	0
Total Blacks Female	1	329	0.3	6	6286
Total Blacks Male	1	150	0.7	3	2516
White Female	0	34	0	0	0
White Male	0	8	0	0	0
Employees with a disability	0	3	0	0	0
Total	2	524	0.4	9	4401

TABLE 5.6.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2005 to 31 March 2006

	Number of beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	0	60	0	0	0
Skilled (Levels 3-5)	0	73	0	0	0
Highly skilled production (Levels 6-8)	0	253	0	0	0
Highly skilled supervision (Levels 9-12)	2	96	2.1	9	4500
Total	2	482	2.1	0	4500

TABLE 5.6.3 – Performance Rewards by critical occupations, 1 April 2005 to 31 March 2006

	Number of beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Social Work and related professionals	1	198	0.5	3	3000
Community development workers	0	37	0	0	0
Total	0	235	0.4	0	3000





5.7. Foreign Workers

The Social Services Component within the Department has no foreign workers.

5.8. Leave utilization for the period 1 January 2005 to 31 December 2005

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 5.8.1) and disability leave (Table 5.8.2). In both cases, the estimated cost of the leave is also provided.

TABLE 5.8.1 Sick leave, 1 January 2005 to 31 December 2005

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days/employee	Estimated Cost (R'000)	Total days with Med certification
Lower skilled (Levels 1-2)	129	94.6	21	11.1	6	19	122
Skilled (Levels 3-5)	194	91.8	27	14.3	7	39	178
Highly skilled production (Levels 6-8)	721	93.6	97	51.3	7	246	675
Highly skilled supervision (Levels 9-12)	248	89.9	37	19.6	7	159	223
Senior management (Levels 13-16)	14	100	2	1.1	7	24	14
Contract (Levels 6-8)	24	100	5	2.6	5	7	24
Total	1330	92.9	189	100	7	494	1236

TABLE 5.8.2 – Disability leave (temporary and permanent), 1 January 2005 to 31 December 2005

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days/employee	Estimated Cost (R'000)	Total days with Med certification
Skilled (Levels 3-5)	49	100	1	50	49	10	49
Highly skilled production (Levels 6-8)	4	100	1	50	4	1	4
Total	53	100	2	100	27	11	53

Table 5.8.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.



TABLE 5.8.3 – Annual Leave, 1 January 2005 to 31 December 2005

Salary Bands	Total days taken	Average days per employee	No. of employees using annual leave
Lower skilled (Levels 1-2)	750	17	44
Skilled Levels 3-5)	883	14	61
Highly skilled production (Levels 6-8)	3976	17	231
Highly skilled supervision (Levels 9-12)	1816	20	90
Senior management (Levels 13-16)	156	20	8
Contract (Levels 6-8)	124	8	15
Contract (Levels (9-12)	1	1	1
Total	7706	17	450

TABLE 5.8.4 – Capped leave, 1 January 2005 to 31 December 2005

Salary Bands	Total days of capped leave taken	Number of employees using leave days	Average capped leave per employee as at 31 December 2003
Lower skilled (Levels 1-2)	28	2	44
Skilled Levels 3-5)	14	5	38
Highly skilled production (Levels 6 - 8)	29	7	38
Highly skilled supervision (Levels 9 -12)	63	11	51
Total	134	25	43

TABLE 5.8.5 – Leave payouts for the period 1 April 2005 to 31 March 2006

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

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Capped leave payouts on termination of service for 2005/06	19	3	6333
Total	19	3	6333

5.9. HIV AND AIDS & Health Promotion Programmes

TABLE 5.9.1 – Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
N/A	We have Workplace HIV and AIDS policy in place and Action plan implemented.



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TABLE 5.9.2 Details of Health Promotion and HIV AND AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Chief Director: Corporate services
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		One staff member
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		An Employee Assistance Programme is in place
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		Workplace HIV and AIDS policy.
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		We have the HIV and AIDS policy.
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		Temporary incapacity leave is considered.
7. Does the Department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have achieved.	Yes		Though test results are confidential, we are aware of risk to lose more employees.
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.			

5.10. Labour Relations

TABLE 5.10.1 – Collective agreements, 1 April 2005 to 31 March 2006

Total collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

TABLE 5.10.2 – Misconduct and disciplinary hearings finalized, 1 April 2005 to 31 March 2006

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	11	11.82
Verbal warning	0	0
Written warning	22	23.65
Final written warning	17	18.28
Suspended without pay	23	24.73
Fine	0	0
Demotion	0	0
Dismissal	13	13.98
Not guilty	4	4.3
Case withdrawn	3	3.23
Total	93	100

TABLE 5.10.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Insubordination	11	9.82
Corruption	23	20.54
Absenteesm	11	9.82
Assault	2	1.79
Rape	2	1.79
Fraud	14	12.5
Theft	5	4.46
Neglegence	8	7.14
Drinking on duty	3	2.68
Misuse of MG Vehicles	13	11.61
Prohibited strike	14	12.5
Unprofessional conduct	3	2.68
Abscondment	4	3.57
Unauthorised processing of grants	0	0
Total	113	100

TABLE 5.10.4 – Grievances lodged for the period 1 April 2005 to 31 March 2006

Grievances I	Number	% of total
Number of grievances resolved	53	79.1
Number of grievances not resolved	14	20.9
Total number of grievances lodged	67	100





TABLE 5.10.5 – Disputes lodged with Councils for the period 1 April 2005 to 31 March 2006

Disputes lodged	Number	% of Total
Number of disputes held	9	37.5
Number of disputes dismissed	15	62.5
Total number of disputes lodged	24	100

TABLE 5.10.6 – Strike actions for the period 1 April 2005 to 31 March 2006

Total number of person working days lost	112
Total cost (R'000) of working days lost	R2027
Amount (R'000) recovered as a result of no work no pay	R2027

TABLE 5.10.7 – Precautionary suspensions for the period 1 April 2005 to 31 March 2006

Number of people suspended	32
Number of people whose suspension exceeded 30 days	12
Average number of days suspended	130
Cost (R'000) of suspensions	R676,344

5.11. Skills development

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

TABLE 5.11.1 Training needs identified 1 April 2005 to 31 March 2006

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	51		15	0	15
	Male	26		11	0	11
Professionals	Female	136		44	0	44
	Male	53		28	0	28
Clerks	Female	66	2	65	0	65
	Male	48	2	39	0	39
Elementary occupations	Female	33		0	0	0
	Male	20		0	0	0
Sub Total	Female	286	2	124	0	124
	Male	147	2	78	0	78
Total		433	4	202	0	202

TABLE 5.11.2 Training provided 1 April 2005 to 31 March 2006

Occupational Categories	Gender	Number of employees as at 1 April 2005	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	51	0	28	0	28
	Male	26	0	14		14
Professionals	Female	136	0	51	0	51
	Male	53		38		38
Clerks	Female	66	1	19	0	19
	Male	48	1	12		12
Elementary occupations	Female	33	0	5	0	5
	Male	20		0		0
Sub Total	Female	286	1	103	0	103
	Male	147	1	64		64
Total		433	2	167	0	167

5.12. Injury on duty

The following table provide basic information on injury on duty.

TABLE 5.12.1 – Injury on duty, 1 April 2005 to 31 March 2006

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	1	100
Total	1	100

5.13. Utilization of Consultants

TABLE 5.13.1: Report on consultants appointments using appropriated funds, 1 April 2005 to 31 March 2006

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Research on Orphans and Children Living Alone	1 - Lim'uvune Financial Services	For period 05-06	Total value of contract: R 483 861.60
Reasons for Personnel Turnover in the Department of Health and Social S	1 - Tshwane University of Technology		R28 252.00
Development of training manuals and workshop to CLOs on the manuals	UNISA	<ul style="list-style-type: none"> • 4 weeks to develop materials • 5 day workshop to 30 CLOs • 5 days workshop to 2nd group of 30 CLOs 	R198 000



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