

# ANNUAL REPORT



**LIMPOPO**

**PROVINCIAL GOVERNMENT**  
REPUBLIC OF SOUTH AFRICA

**DEPARTMENT OF  
SOCIAL DEVELOPMENT**

**2022/2023**



# LIMPOPO

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

## DEPARTMENT OF SOCIAL DEVELOPMENT

### PROVINCE OF LIMPOPO VOTE NO. 12

ANNUAL REPORT  
2022/23 FINANCIAL YEAR



## Contents

### PART A: GENERAL INFORMATION

1. DEPARTMENTAL GENERAL INFORMATION	3
2. LIST OF ABBREVIATIONS	4-5
3. FOREWORD BY THE MEMBER OF THE EXECUTIVE COUNCIL	6
4. DEPUTY MINISTER STATEMENT	9
5. REPORT OF THE ACCOUNTING OFFICER	9
6. STATEMENT OF RESPONSIBILITY	16
7. STRATEGIC OVERVIEW	17
8. LEGISLATIVE AND OTHER MANDATES	
8.1 CONSTITUTIONAL MANDATES	17
8.2 LEGISLATIVE MANDATES	18
9. ORGANIZATIONAL STRUCTURE	24
10. ENTITIES REPORTING TO THE MINISTER	25

### PART B: PERFORMANCE INFORMATION

1. AUDITOR GENERAL REPORT	26
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE	26
3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES	32
4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION	33-66

### PART C: GOVERNANCE

1. INTRODUCTION	60
2. RISK MANAGEMENT	60
3. FRAUD AND CORRUPTION	67
4. MINIMISING CONFLICT OF INTEREST	67
5. CODE OF CONDUCT	67
6. PORTFOLIO COMMITTEES	68
7. SCOPA RESOLUTIONS	69

### PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION	107
2. OVERVIEW OF HUMAN RESOURCES	107
3. HUMAN RESOURCES OVERSIGHT STATISTICS	111-165

### PART E: PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES	167
2. LATE AND/OR NON-PAYMENT OF SUPPLIERS	171
3. SUPPLY CHAIN MANAGEMENT	172

PART F: FINANCIAL INFORMATION	174
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## PART A: GENERAL INFORMATION

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### 1. DEPARTMENT'S GENERAL INFORMATION

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## 2. LIST OF ABBREVIATIONS/ACRONYMS

AC	Audit Committee
AGSA	Auditor General of South Africa
ANC	African National Congress
AO	Accounting Officer
APP	Annual Performance Plan
BAS	Basic Accounting System
BAUD	Bar Coded Asset Audit
BBBEE	Broad Based Black Economic Empowerment
CAC	Central Audit Committee
CBO	Community Based Organization
CHH	Child Headed Household
CCMA	Commission for Conciliation Mediation and Arbitration
CDP	Community Development Practitioner
CDA	Central Drug Authority
CFO	Chief Financial Officer
CNDC	Community Nutrition Development Centres
COVID -19	Coronavirus 2019
CYCC	Child and Youth Care Centre
CYCW	Child and Youth Care Workers
DIC	Drop-in Centre
DORA	Division of Revenue Act
DSD	Department of Social Development
EBT	Electronic Banking Transfer
ECD	Early Childhood Development
EPWP	Extended Public Works Programme
EXCO	Executive Committee
EU	European Union
FET	Further Education and Training
GOVT	Government
HIV	Human Immune Virus
AIDS	Acquired Immune Deficiency Syndrome
HCBC	Home Community Based Care
HOD	Head of Department
HR	Human Resource
HRD	Human Resource Development
HRM	Human Resource Management
HRP	Human Resource Plan

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

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



**Name: Mme Nandi Ndalane**

**Title: Member of the Executive Council**

#### **ACHIEVEMENTS IN RELATION TO POLICY DIRECTIVES, 2019-24 MEDIUM TERM STRATEGIC FRAMEWORK AND DEPARTMENT'S OUTCOMES**

As we approach the end of 2019-2024 MTSF period, and in preparation for the seventh (7) administration, the department has conducted a performance review effective from April 2019 to March 2023 so as to lay the basis for the five-year review and ushering the new MTSF 2024-2029. The department has therefore provided services to 30 438 older persons, 8 619 persons with disabilities accessed services, 205 964 people infected and affected by HIV and AIDS reached through social and behaviour change programmes. whilst 208 369 children aged 0-18 years provided with care and protection services, 131 836 families strengthened and preserved.

Despite the increasing incidents of Gender-Based violence and femicide (GBVF), the trend is in the decline compared to the 2014-2019 baseline of 72 096 against the current 50 135 with the negative variance of 22 961 incidents recorded from 2019 to March 2023.

On job creation, 12 931 Work opportunities for the poor and vulnerable created through DSD programmes whereas 442 337 Individuals vulnerable to hunger have accessed food through food and nutrition security.

#### **CHALLENGES FOR THE FINANCIAL YEAR UNDER REVIEW**

##### **Filling of the critical Posts**

Delay in the filling of the post of the CFO is compromising the review function of the AFS however the department has established an AFS Technical Review Team to support the acting

CFO and his team in a quest to improve the quality of the Annual Financial statements.

### **Budgetary constraints**

Budgetary constraints had a negative influence for the Department to achieve its objectives as many posts remain vacant for a long period. Inadequate budget for implementation of skills programs as per workplace skills plan. The department is still unable to secure funds for the (5) five-office accommodation of which funds were repurposed in 2020 to fund Covid-19.

### **Staffing mix and provision of care**

Despite the introduction of the retention strategy (OSD), it is still difficult to attract Social Services Professionals that are required. Furthermore, other professionals are ascending to management positions, and this has negative impact in recruiting and retaining staff. The budget constraints to place social work graduates is still a great concern.

The Department is not able to absorb all graduates who completed their studies starting from 2013 academic year due to budgetary constraints. Funding for absorption of the graduates is not aligned with the number of graduates per province hence the province will not be able to appoint additional graduates in the coming financial years.

### **Information Technology**

The information technology remains a huge challenge in the Department, particularly Human Resource Information System (HRIS). HR Plan requires updated HR statistics to determine the current human resources in the Department and without HRIS accurate statistics will remain a problem. There is no connectivity in most of the Sub-District's offices, however, efforts to address the connectivity problem are underway to try and improve.

### **Office Accommodation**

The office accommodation remains a great challenge in the Department, particularly at District and Sub-Districts level. The Department has finalised building of the office accommodation at Mopani District: Gawula and Vhembe District: Saselamani respectively. Maintenance of office accommodation continues to remain the priority of the department to ensure the accessibility by both members of the department as and when they render service delivery.

### **Tools of trade**

The tools of trade in the Department remains a great concern in particular transport (vehicle), computers and office furniture.

## **THE STRATEGIC FOCUS OVER THE MEDIUM TO LONG TERM PERIOD**

During the year 2023/2024, the Limpopo Department of Social Development shall conduct research titled "*Factors influencing the increasing incidents of Gender Based Violence and Femicide in the Province*" the outcome of the research will assist the department and the Justice Crime Prevention Sector (JCPS) in developing a strategy to fight against the scourge.

## **ACKNOWLEDGEMENTS / APPRECIATION**

I therefore wish to extend my words of gratitude to the Honourable Premier Chupu Stanley Mathabatha and our colleagues in EXCO. I also want to thank the Portfolio Committee for Social Development led by Honourable Joshua Matlou and all oversight bodies, for their guidance and leadership. My appreciation also goes to the Standing Committee on Public Accounts (SCOPA) for continued guidance to us and ensure that public funds are accounted for at all material times.

Special acknowledgement goes to SASSA and NDA for the support in improving the service delivery imperatives of the Department.

## **CONCLUSION**

In conclusion, I would like to make commitment that, the department shall implement the APP 2023/24 effectively and efficiently for the benefit of the poor and vulnerable people in the province.



**Date: 30 May 2023**

**MEC:** Mme Nandi Ndalane



4. **DEPUTY MINISTER STATEMENT (if applicable)**  
Not applicable

5. **REPORT OF THE ACCOUNTING OFFICER**



**Name:** Mr. Julius Makwena Mahopo

**Title:** Head of Department

**Overview of operations of the Department of Social Development.**

In the period under review, the Department has successfully implemented its 2022/23 recruitment plan wherein fifty (50) critical funded posts were filled, the posts include the following, Social Work and community Development Managers, Supervisors, Deputy Director IT, and IT Technicians and other support staff in Facilities, Districts and Provincial Office.

To strengthen service delivery mechanisms, the following tools of trade were procured for Social Service Professionals, one hundred and thirty-three (133) laptops, ten (10) desktop computers and thirty-one (31) printers and 320 applications were approved to participate in Scheme B transport services.

In compliance with new Preferential Procurement Regulation 4 November 2022, the departmental developed its Preferential Procurement Policy to give effect to the implementation of the regulation.

The department is at the advanced stage in terms of the consultation for the review of the 2018 approved organization structure to ensure proper alignment with the strategic priority interventions and the 2023/24 MTEF budget alignment.

The Department has contributed directly to *“Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services”* through preservation of families, intensified job creation initiatives within EPWP Social Sector and food security programme as an attempt to create the much-needed work opportunities and to ensure the realisation of *“Priority 2: Economic Transformation and Job Creation”* and *“LDP Priority 5: Accelerate social change and improve quality of life of Limpopo's citizens”*.

The Department provided much needed services to the most vulnerable in the society such as children, elderly, persons with disability, victims of crime, gender-based violence and femicide.

A snapshot of strides made are that: -

- Foster Care services, the department closed the backlog that was cited in the North Gauteng High Court order of 2021.
- A summit was held with all Developmental Partners to begin to map the footprints they are making in the province.
- 572 Children in trouble with law completed diversion programmes.
- 3 517 People living with disabilities accessed protective workshops.
- 39 506 individuals attended the Social behavioural change programmes.
- 257 Families were reunited.
- 39 866 Children accessed services at Drop-in Centres and
- 12 134 individuals received Victim Empowerment Support Services

This is a direct contribution to “*Priority 6: Social Cohesion and Safe Communities*”. The Department improved its audit outcome in 2021/22 audit and resolved 94.44% (17 of 18) of AGSA findings as part of addressing “*Priority 1: A Capable, Ethical and Developmental State*”. This can be attributed to vigorous implementation and effective monitoring of Audit Remedial Action Plan.

In the Annual Performance Plan (APP) 2022/23, forty- four (**44**) indicators were planned and implemented, of which thirty - six (**36**) indicators were achieved which is (**82%**) and eight (**08**) indicators were not achieved, which is (**18%**). This is a sustained performance compared to the same period in 2021/22 financial year.

It is with utmost pleasure that, I **Julius Makwena Mahopo** in my capacity as the Accounting Officer of the Department of Social Development present the 2022/23 Annual Report on the activities of Vote 12.

## Overview of the financial results of the Department:

- Departmental Receipts**

	2022/2023			2021/2022		
Departmental Receipts	Estimate	Actual Collected	(Over) / Under Collections	Estimate	Actual Collected	(Over) / Under Collections
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	1 892	2 189	(297)	1 926	1 996	(70)
Interest and Dividends	0	0	0	9	10	(1)
Sale of capital assets	350	3 071	(2 721)	350	0	350
Financial transactions	8 089	8 556	(467)	4 574	4 698	(124)
liabilities						
Total	10 331	13 816	(3,485)	6 859	6 704	155

- The Departmental revised revenue Adjusted budget for 2022/23 financial year is R10,331 million and a collection of R13,816 million department over collected by R3,5 million which 133% due the auction of motor vehicles conducted in December 2022 and write off previous debts NPOs that exited the system.*

Programme Name	2022/2023			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	366 486	353 211	13 376	377 404	368 904	8 500
Social Welfare Services	470 092	468 876	1 216	474 762	463 159	11 603
Children and Families	629 688	626 473	3 215	1 022 627	977 113	45 514
Restorative Services	209 699	201 320	8 379	207 095	202 052	5 043
Development and Research	231 377	229 055	2 322	226 186	224 433	1 753
<b>Total</b>	<b>1 907 342</b>	<b>1 878 935</b>	<b>28 407</b>	<b>2 308 074</b>	<b>2 235 661</b>	<b>72 413</b>

- The Department spent 98.5% of its adjusted budget during 2022/23 financial year compared to 96.8% spent in 2021/22 financial year.
- Administration programme spent 96.4% of its adjusted budget during 2022/23 financial year compared to 99.6% spent in 2021/22 financial year.
- Social Welfare Services programme spent 99.7 % of its adjusted budget during 2022/23 financial year compared to 97.68% spent in 2021/22 financial year.
- Children and Families programme spent 99.5% of its adjusted budget during 2022/23 financial year compared to 95.6% spent in 2021/22.
- Restorative Services programme spent 96.0% of its adjusted budget during 2022/23 financial year compared to 93.7% spent in 2021/22
- Development and Research programme spent 99.0% of its adjusted budget during 2022/23 compared to 99.2% spent in 2021/22 financial year.

- **Virements/roll overs**

Virement of R7,300,000 goods and services to defray departmental agency overspending and Rollover of R9,022,000.00 for payments of completed construction of accommodation offices and maintenance projects for departmental infrastructure buildings and R36 thousand from CoE to statutory direct charges to pay arrears of MEC's salary

- **A description of the reasons for unauthorised, fruitless, and wasteful expenditure and the amounts involved as well as steps taken to address and prevent a recurrence.**

- The department incurred irregular, fruitless and wasteful expenditure due to various non-compliance to various non-compliance to the SCM prescripts i.e. procuring school uniform without following competitive bidding processes, appointment of service provider who is an employee of the state, non-compliance to local content.

The following measures have been put in place to prevent recurrence:

- Capacitate the internal control and the SCM unit.
- Training of Bid Committees
- Developed Departmental Preferential Procurement Policy
- Develop compliance checklist for all the SCM processes.
- Implementation of the Clean Audit Strategy and
- Enforcing consequence management

- **Strategic focus over the short to medium term period**

Implementation of 2023/24 Annual Performance Plan and the review of the end of the Term aligned to the 2020-2025 Revised Strategic Plan

## **Public Private Partnerships**

None.

- **Discontinued key activities / activities to be discontinued.**

- **List activities discontinued/to be discontinued.**

None

- **New or proposed key activities.**

None

## **Supply chain management**



### **Unsolicited bids proposals concluded for the year under review.**

No unsolicited bids for the year

### **SCM process and systems put in place to prevent irregular expenditure.**

- Appointed Bid specification, Evaluation and Adjudication committees. The committees comprised of members outside SCM Unit, and this was to ensure fairness, impartiality, transparent and efficient management of Supply Chain Management processes and compliance with the relevant SCM prescripts.
- The Department utilised National Treasury E tender portal, Provincial treasury Tender Bulletin, Departmental Website for bids and Tender boxes for quotations while complying with the requirements of Central Supplier Database (CSD) and payments were processed through Logis to minimise unnecessary delays in the payment of creditors and the system of segregation of duties was implemented effectively.

### **Challenges experienced in SCM and interventions.**

- The SCM Unit operated without its director for the entire financial year and internal arrangements were made to keep the Unit functional.

#### **Gifts and Donations received in kind from non-related parties.**

None

- **Exemptions and deviations received from the National Treasury**

None

### **Events after the reporting date**

- Leave on process not yet finalised (Incapacity leave) as at reporting period: non-Adjustment, R 578 000.
- The Director SCM transferred to the Department from the Provincial Department of Agriculture and Rural Development effective the 1<sup>st</sup> April 2023
- The Assistant Director expenditure and accounts transferred to the Department from Mpumalanga Department of rural Development and Environmental Affairs effective 1<sup>st</sup> May 2023
- The Department conducted and submitted organizational functionality Assessment report to office of the Premier on the 24<sup>th</sup> of April 2024 for ultimate submission to the Department of Public Service and Administration on the 28 April 2024

### **Acknowledgements and Appreciation**

The Department successfully managed to execute its mandate during the financial year under review in partnership with the following role players:


- National Department of Social Development
- Office of the Premier

- Public Service Commission (PSC)
- Cluster 3 Audit committee
- Shared Internal Audit Services (SIAS)
- Risk Management committee
- Provincial Treasury
- Department of Health
- National Development Agency (NDA)
- South African Social Security Agency (SASSA)
- Organized Labour
- Civil Society and Non-Profit Organisations
- Government Technical Advisory Centre (GTAC)

## **Conclusion**

In conclusion, I would like to thank and express my gratitude to the Executive Authority, Oversight bodies and members of the Parliamentary Committees for their political leadership, expertise, and guidance. I also wish to extend my appreciation to the management and staff of the Department, SASSA, NDA, NPOs and other sector partners for their continued support.

## **Approval and sign off:**



**Accounting Officer**

**Name: Mr. Julius Makwena Mahopo**

**Date: 29 May 2023**



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

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

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

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

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

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

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

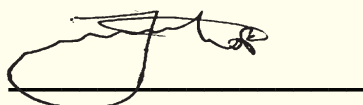
The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2023.

Yours faithfully

**Approval and sign off:**



**Accounting Officer**

**Name: Mr. Julius Makwena Mahopo**

**Date: 29 May 2023**

## **7. STRATEGIC OVERVIEW**

### **7.1. Vision**

A Caring and self-reliant Society

### **7.2. Mission**

Provision of integrated, comprehensive, and sustainable social development services

### **7.3. Values**

- **Accountability**

Taking ownership for decisions and actions and accepting the consequences that come with them.

- **Caring**

Showing sympathy and concern; embodying heart for all stakeholders and beneficiaries

- **Equality and equity**

Treating everyone fairly and equally

- **Human dignity**

Respecting everyone's human rights.

- **Respect**

Showing due regard for the rights and obligations of others

## **8. LEGISLATIVE AND OTHER MANDATES**

### **8.1 Constitutional Mandate**

The Department derives its mandate from the Constitution of the Republic of South Africa, (Act No. 108 of 1996) as encapsulated hereunder:

**27. (1)** Everyone has the right to have access to— (a) health care services, including reproductive health care; (b) sufficient food and water; and (c) social security, including, if they are unable to support themselves and their dependents, appropriate social assistance.

**28. (1)** Every child has the right— (a) to a name and a nationality from birth; (b) to family care or parental care, or to appropriate alternative care when removed from the family environment; (c) to basic nutrition, shelter, basic health care services and social services; (d) to be protected from maltreatment, neglect, abuse or degradation; (e) to be protected from exploitative Labour practices; (f) not to be required or permitted to perform work or provide services that— (i) are inappropriate for a person of that child's age; or (ii) place at risk the child's well-being, education, physical or mental health or spiritual, moral or social development.

## 8.2 Legislative Mandates

The following National Legislation and Policy documents form the legal and policy framework being implemented within the Department:

RELEVANT LEGISLATION	PURPOSE OF THE LEGISLATION
Social Assistance Act (Act no13 of 2004)	The Social Assistance Act, 1992 provides for the rendering of social assistance to persons, National Councils, and Social Development Organizations.
Social Service Professions Act, 1978 (Act no. 110 of 1978)	Promotes and regulates the practice of social service practitioners for social service professions.
White Paper for Social Welfare (1997)	Aims to transform social welfare services through developmental approach.
Social Service Professions Act, 1978 (Act no. 110 of 1978)	Promotes and regulates the practice of social service practitioners for social service professions.
Probation Services Act, 1991 (Act no.116 of 1991)	Provides for the transformation of the child and youth care system.
Domestic Violence Act (Act no. 61 of 2003)	Provides for the protection of the victims of domestic violence and the vulnerable members of the society.
The Child Justice Act (Act no. 75 of 2008)	Provides the framework for dealing with children in conflict with the law.
Older persons Act (Act no.13 of 2006.)	Provide framework aimed at the empowerment and protection of older persons and at the promotion and maintenance of their status, rights, well-being, safety, and security.
Advisory Board on Social Development Act, 2001 (Act no. 3 of 2001)	Provides for a national advisory structure in the social development sector.
Non-Profit Organisations Act, 1997	This Act repealed the Fund-Raising Act, 1997, excluding the chapter that deals with relief funds, and provided for an environment in which non-profit organisations can flourish. The Act also established an administrative and regulatory framework within which non-profit organisations can conduct their affairs.

RELEVANT LEGISLATION	PURPOSE OF THE LEGISLATION
Cooperative Act No 14 of 2005	The Act promotes the development of sustainable cooperatives that comply with cooperative principles. It promotes equity and greater participation by black persons, especially those in rural areas, women, and persons with disability and youth in the formation of and management of cooperatives.
Children's Act No. 38 of 2005	Provides the framework for the care and protection of children.
Sexual Offences Related Matters Amendment Act no 32 of 2007	Provides for the regulation of sexual offences against vulnerable groups.
White Paper on families in South Africa, 2013	The policy is premised on the principle that families are the core of society, and its goals include, among others, the protection and support of families through effective and efficient service delivery; the creation of an enabling environment geared towards the self-reliance of families; and the promotion of inter-sectoral collaboration amongst stakeholders in the provision of services
Disaster Management Act No. 57 of 2002	<p>27. (1) In the event of a national disaster, the Minister may by notice in the Gazette.</p> <p>Declare a national state of disaster if-- (a) existing legislation and contingency arrangements do not adequately provide for the national executive to deal effectively with the disaster: or (b) Other special circumstances warrant the declaration of a national state of</p> <p>(2) If a national state of disaster has been declared in terms of subsection (1) 1. The Minister may, subject to subsection (3), and after consulting the responsible Cabinet member. Make regulations or issue directions or authorize the issue of directions</p>

RELEVANT LEGISLATION	PURPOSE OF THE LEGISLATION
Protection of Personal Information Act No. 4 of 2013 as amended <sup>3</sup> as amended	<p>The purpose of this Act is to —</p> <p>(1) give effect to the constitutional right to privacy, by safeguarding personal information when processed by a responsible party, subject to justifiable limitations that are aimed at—</p> <p>(a) balancing the right to privacy against other rights, particularly the right of access to information; and</p> <p>(b) protecting important interests, including the free flow of information within the Republic and across international borders.</p>

## POLICY MANDATES

RELEVANT POLICIES	PURPOSE OF THE POLICY
National Development Plan 2012	Chapter 11 of the NDP requires that the Department of Social Development should spearhead the Social Protection to make sure there is alignment and coordination of Social Protection issues including addressing the challenges of eradicating poverty and reducing inequality.
NDP Five Year Implementation Plan, 2019-2024	<p>The NDP Five Year Implementation Plan is aimed at reinforcing a coherent vision and plan to achieve the long-term priorities expressed in the NDP. It will also address the priorities specific to women, children, youth, and people with disabilities. It is intended to outline an indicative medium-term roadmap, which will form the basis for developing five-year institutional plans that will guide the realization of the NDP priorities.</p> <p>Through the NDP 5 Year Implementation Plan, government will collaborate with the private sector, Labour, and Civil Society to contribute to the achievement of the set priorities.</p>
Medium Term Strategic Framework 2019-2024	It identifies the development challenges that government must confront in the next five years. It serves as a backdrop to guide planning and budgeting across the three spheres of government.

RELEVANT POLICIES	PURPOSE OF THE POLICY
Limpopo Development Plan 2020-2025	It is the overarching development strategy for Limpopo province for the next five years. It seeks to reduce poverty, unemployment and inequality through sustainable economic development, social development, and transformation.
Integrated Monitoring Framework	Track progress using a variety of tools to measure the achievement of the priorities, by the different government and non-government stakeholders
White Paper for Social Welfare (1997)	The White Paper sets out the principles, guidelines, proposed policies, and programmes for developmental social welfare in South Africa. As the primary policy document, the White Paper serves as the foundation for social welfare in the post-1994 era.
Integrated National Disability Strategy ,1997	It provides for an integration of disability issues in all government development strategies, planning and programmes.
South African policy for older persons, 2005	To facilitate services that are accessible, equitable and affordable to older persons and that conform to prescribed norms and standards. Such services should empower older persons to continue to live meaningful lives in a society that recognizes them as important sources of enrichment, expertise, and community support
Disability Policy 2006	It recognizes that Persons with Disabilities are valuable human resources for the country and seeks to create an environment that provides them with equal opportunities, protection of their rights and full participation in society.
Relevant Conventions and Agreements	This refers to relevant and applicable Conventions and Agreements concluded relating to social development.
Population Policy 1998	It examines the current state and likely future directions of population policy in South Africa with reference to family planning activities set against the background of past and it also response to the changing socio-political situations in the country.

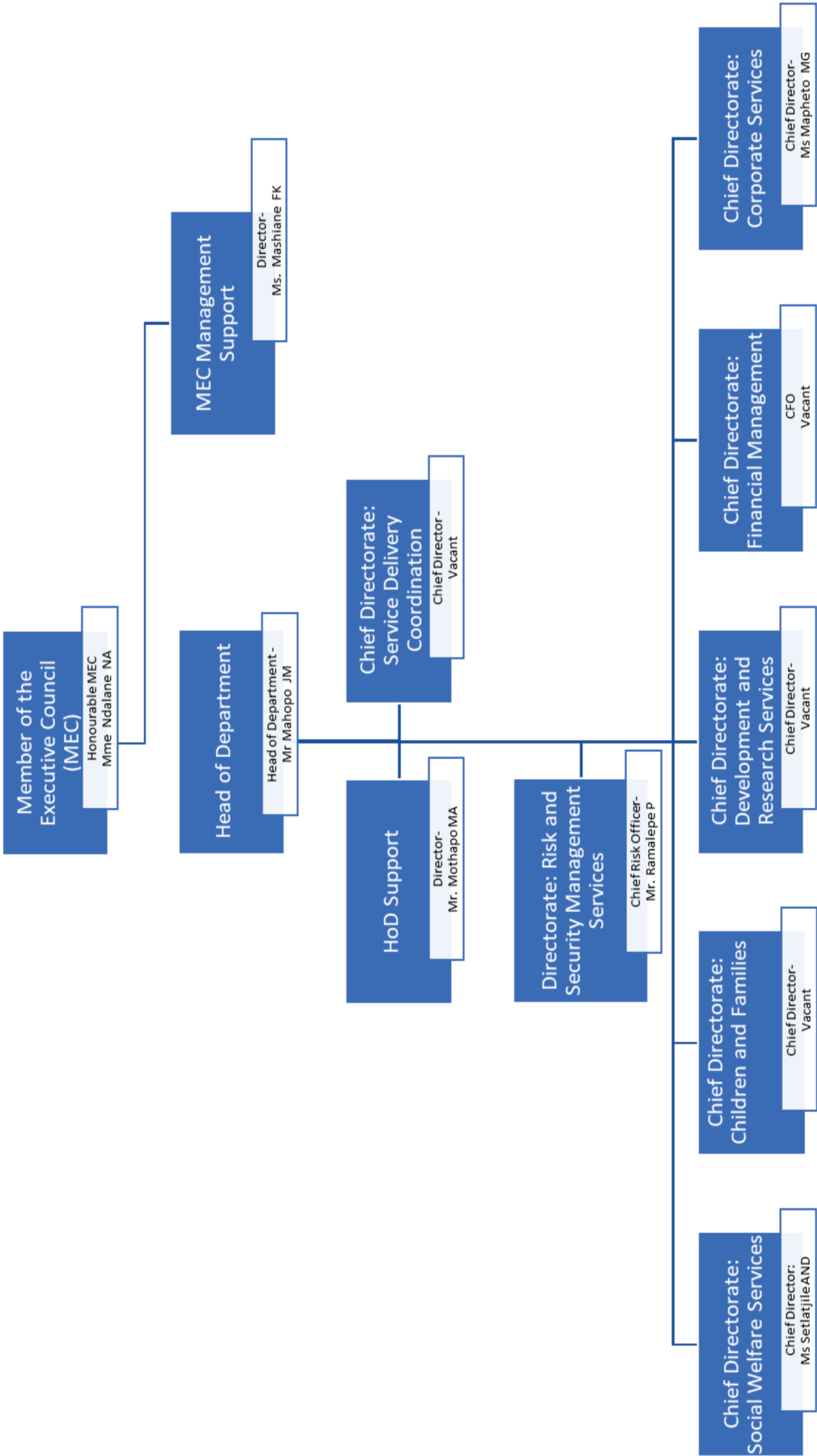


RELEVANT POLICIES	PURPOSE OF THE POLICY
National Crime Prevention Strategy	It provides the need to follow developmental approach and inter-sectoral collaboration towards combating and addressing crime.
Minimum Standards for Residential Facilities on People with Disabilities, 2007	They serve as a guide to individuals and families as to what they can reasonably expect of a residential service. They have been developed for the purposes of the registration and inspection of residential services for people with disabilities.
National Drug Master Plan	It guides and monitors the actions of government Departments to reduce the demand for and supply of drugs and the harm associated with their use and abuse.
Policy Framework on Orphaned and Vulnerable Children, 2005	It provides for a common agenda for mounting an effective response towards addressing the challenges posed by the HIV/AIDS epidemic. It outlines key actions that must be taken urgently, including the prioritization of support for orphans, vulnerable children and their families in the national policies, actions, and plans.
National Integrated Early Childhood Development Policy 2015	The Policy aims at addressing challenges encountered within the sector in relation to currently available legislation that is not well coordinated. The policy objective is to improve universal access to quality, equitable and appropriate services to children.
National Guideline on Victim Empowerment	It provides a framework for sound inter-Departmental and inter-sectoral collaboration and for the integration of effective institutional arrangements for a multi-pronged approach in managing victim empowerment.
National Food and Nutrition Security Policy (2013)	Policy for Food and Nutrition Security identifies four pillars of food security in South Africa namely, adequate availability of food, accessibility of food, utilization and quality of food and stability of food supply.
Policy On Social Development Services to Persons with Disabilities, 2018	Ensure the provision of social development services to persons with disabilities to improve the overall quality of their lives.



RELEVANT POLICIES	PURPOSE OF THE POLICY
White Paper on the Rights of Persons with Disabilities 2015	Provide the framework for a uniform and coordinated approach by all government Departments and institutions in the mainstreaming of disability across all planning, design, budgeting, implementation and monitoring of services and development programmes
Guidelines on Reunification services for Families 2012	To facilitate the effective management of reunification services which promote uniformity and standardization among social services to families.
Limpopo Youth Development Strategy 2018	The strategy is set to change the lives of youth people of Limpopo through empowerment programmes implemented by various sectors and Department.
Departmental Preferential Procurement Policy 2023	To give effect to Section 2(1)(b)(i) and (ii) and 2(1)(c) of the Preferential Procurement Policy Framework Act, 2000(Act No. 5 of 2000) and Preferential Procurement Regulations, 2022

9. ORGANISATIONAL STRUCTURE



#### 10. ENTITIES REPORTING TO THE MINISTER/MEC

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

Name of Entity	Legislative Mandate	Financial Relationship		Nature of Operations
N/A	N/A	24	N/A	N/A

## PART B: PERFORMANCE INFORMATION

## 1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

Refer to page 175 of the Report of the Auditor General, published as Part F: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

In the Annual Performance Plan (APP) 2022/23, forty- four (**44**) indicators were planned and implemented, of which thirty - seven (**37**) indicators were achieved which is (**84%**) and Seven (**07**) indicators were not achieved, which is (**16%**). This is an improved performance compared to (**82%**) in 2021/22 financial year.

### 2.1 Service Delivery Environment

Limpopo has the highest proportion of children under 15 and 57% proportion of Youth and Adults between the aged 15- 59 years whilst the elderly aged 60 and above constitute 9% of the total population size of 5,799,090. Life expectancy at birth for 2021 is estimated at 59,3 years for males and 64,6 years for females, which is a drop from 2020 where life expectancy at birth was 62,4 and 68,4 for males and females respectively. Opportunities for employment, study, and quality of life play an important role amongst the push-pull factors resulting in high flow of migrants from Limpopo to Gauteng and Western Cape provinces.

As we approach the end of 2019-2024 MTSF period, and in preparation for the seventh (7) administration, the department has conducted a performance review effective from April 2019 to March 2023 so as to lay the basis for the five-year review and ushering the new MTSF 2024-2029. The department has therefore provided services to 30 438 Older persons, 8 619 persons with disabilities accessed services, 205 964 People infected and affected by HIV and AIDS reached through social and behaviour change programmes. whilst 208 369 Children aged 0-18 years provided with care and protection services, 131 836 Families strengthened and preserved.

Despite the increasing incidents of Gender-Based violence and femicide (GBVF), the trend is in the decline compared to the 2014-2019 baseline of 72 096 against the current 50 135 with the negative variance of 22 961 incidents recorded from 2019 to March 2023.

On job creation, 12 931 Work opportunities for the poor and vulnerable created through DSD programmes whereas 442 337 Individuals vulnerable to hunger have accessed food through food and nutrition security.

### 2.2 Service Delivery Improvement Plan

The Department of Public Service and Administration (DPSA) issued circular no 14 of 2022 signed by the Director-General on 25 April 2022 directing both national and provincial departments to follow the Service Delivery Improvement Plan building blocks that will enable departments to produce realistic, effective, and credible SDIP. The departments were directed to submit the approved SDIP for 2023-2025 on 31 March 2023.

### 2.3 Organisational environment

During the period under review, the Department experienced the following challenges and successes in the implementation of the Strategic Plan 2020-2025 and the Annual Performance Plan 2022/23. Filling of funded vacant posts as per the recruitment plan however the post of the CFO has been readvertised and not yet filled and the vacancy rate for the entire Department remained at 43%. Despite the budget shortfall on goods and services, the Department managed to execute its mandate of providing the much-needed services to the most vulnerable people in the society including children, youth, women, elderly, and persons with disabilities.

The Department is in the process of reviewing its 2018 organizational structure to align with the MTEF budget structure and revised MTSF priorities.

In the financial year under review, the Department implemented Grade Progression and Accelerated Grade Progression to employees on Occupational Specific Dispensation (OSD) and Non-OSD amounting to R15 M and 1420 employees were paid pay progression to the amount R5.4M.

At long last the department concluded the appointment of a service provider to provide clinical support in the form of psychosocial support to all employees of the department, especially the Social Service Professionals who continuously encounter traumatic situations in line of duties.

Budgetary constraints had a negative influence for the Department to achieve its objectives as many posts remain vacant for a long period. Inadequate budget for implementation of skills programs as per workplace skills plan

Despite the introduction of the retention strategy (OSD), it is still difficult to attract Social Services Professionals that are required. Furthermore, other professionals are ascending to management positions, and this has negative impact in recruiting and retaining staff. The budget constraints to place social work graduates is still a great concern.

The Department is not able to absorb all graduates who completed their studies starting from 2013 academic year due to budgetary constraints. Funding for absorption of the graduates is not aligned with the number of graduates per province hence the province will not be able to appoint additional graduates in the coming financial years.

The increase in social ills and moral decay calls for social services professionals to assess and analyse beneficiary's needs before the provision of social interventions.

The information technology remains a huge challenge in the Department, particularly Human Resource Information System (HRIS). HR Plan requires updated HR statistics to determine the current human resources in the Department and without HRIS accurate statistics will remain a problem. There is no connectivity in most of the Sub-District's offices.

The office accommodation remains a great challenge in the Department, particularly at District and Sub-Districts level. The Department has finalised building of the office accommodation at Mopani District: Gawula and Vhembe District: Saselamani respectively.

The tools of trade in the Department remains a great concern in particular transport (vehicle), computers and office furniture.

## **2.4 Key policy developments and legislative changes**

**None**

## **3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES**

**Mandate:** Social Development Sector “provides social protection services and leads government efforts to forge partnerships through which vulnerable individuals, groups and communities become capable and self-reliant participants”

The Department of social development provide bulk of its services in partnership with civil society organisations which include Non-profit Organisations (NPOs) and Community Based Organisations.

The Department adopted its five-year strategic Plan 2020-2025 in March 2020 but due to COVID-19 pandemic and a subsequent budget reprioritisation, the Department of Performance Monitoring and Evaluation advised Departments to consider revising both the Strategic Plan and the Annual Performance Plans.



The Department adjusted some of its five-year targets in the Strategic plan 2020-2025 due to Covid -19 pandemic which necessitated the reprioritisation of the budget by one hundred and ninety-eight million (R198m) which affected service delivery particularly on Community-based and Families programmes

Mandate : Social Development Sector “provides social protection services and leads government efforts to forge partnerships through which vulnerable individuals, groups and communities become capable and self-reliant participants”

- The Department of social development provide bulk of its services in partnership with civil society organisations which include Non-profit Organisations (NPOs) and Community Based Organisations.
- During the reporting period, the advent of COVID-19 pandemic made it impossible for the majority these organisations and DSD officials to provide the much-needed services to the most vulnerable groups in communities due to Lockdown restrictions and as an attempt to curb the spread of Coronavirus.

Impact Statement: Improved quality of life for the poor and vulnerable by 2030

- The Department continued to provide services to persons with disabilities, older persons in residential facilities, protected and cared for the children in Child and Youth Care Centres, resumed feeding in DICs and created jobs through social sector, roll out vigorous awareness campaigns to reduce the incidences of substance abuse, gender-based violence and femicide.

Outcome Statements:

Functional, Efficient and Integrated Sector by 2025

- The Department managed to improve its audit outcome in 2021/22 audit and resolved 94.44% (17 of 18) of AGSA findings as part of addressing “*Priority 1: A Capable, Ethical and Developmental State*”. This can be attributed to vigorous implementation and effective monitoring of Audit Remedial Action Plan.

Reduced levels of Poverty, Inequality, Vulnerability and Social ills by 2025

- The Department provided much needed services to the most vulnerable in the society such as children, elderly, persons with disability, victims of crime, gender-based violence and femicide. This was a direct contribution to “*Priority 6: Social Cohesion and Safe Communities*”.

Empowered, Resilient Individuals, Families and Sustainable Communities by 2025

- The Department is contributing directly to “*Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services*” through preservation of families, intensified job creation initiatives within EPWP Social Sector and food security programme as an attempt to create the much-needed work opportunities and to ensure the realisation of “*Priority 2: Economic Transformation and Job Creation*” and “*LDP Priority 5: Accelerate social change and improve quality of life of Limpopo's citizens*”.

The Department did not revise its 2022/23 Annual Performance Plan (APP)

**Table 2.4.4.1:**

#### **4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION**

**Table 2.4.4.2:**

##### **PROGRAMME 1: ADMINISTRATION**

<b>Outcome</b>	<b>Output</b>	<b>Output Indicator</b>	<b>Audited Actual Performance 2020/2021</b>	<b>Audited Actual Performance 2021/2022</b>	<b>Planned Annual Target 2022/2023</b>	<b>Actual Achievement 2022/2023</b>	<b>Deviation from planned target to Actual Achievement 2022/2023</b>	<b>Reasons for deviations</b>
Functional, efficient and integrated sector by 2025	Equity on women SMS and people with disabilities achieved	Percentage of women in SMS positions employed (Level 13-16)	48.1% (13 of 27)	48% (12 OF 25)	50%	50% (13 of 26)	None	None
Functional, efficient and integrated sector by 2025	Equity on women SMS and people with disabilities achieved	Percentage of people with disabilities employed	2.1% (64 of 3 023)	2% (62 of 3033)	2%	2 % (63 of 2 893)	None	None
Functional, efficient and integrated sector by 2025	Comprehensive assessments conductedm	Number of comprehensive assessments conducted by Social workers	-	19 722	16 200	20 098	+3 898	More cases reported due to social ills



Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
	Signed contracts	Number of written supervision contracts between social worker supervisor and superviseses signed.	-	1 470	1 382	1 369	-13	Thirteen Social workers were on incapacity leave
Functional, efficient and integrated sector by 2025	Improved audit outcome	Percentage of AGSA Audit findings resolved	32% (12 of 37)	93.4% (43 of 46)	100%	94.44% (17 of 18)	5.56% (1 of 18) fruitless and wasteful expenditure for Phasha Selatole one stop centre not yet resolved	Speed up the appropriation of land
	Budget spent in accordance with the norm	Percentage of budget spent	New Indicator	New Indicator	100%	98.5%	None	None

In this programme, six (6) indicators were targeted in the APP 2022/23, of which four (4) indicators were achieved (67%) and two (2) not achieved (33%).

Strategy to overcome areas of underperformance.

Under performed indicator	Strategy to overcome areas of underperformance
Number of written supervision contracts between social worker supervisor and supervisees signed	Improve the management of Leave for Supervisors
Percentage of AGSAAudit findings resolved	Speed up the appropriation of land

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2022/2023			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of MEC	9 982	8 631	1 351	7 284	6 706	578
Corporate Management	157 204	146 384	10 820	159 799	152 467	7 332
District Management	199 300	198 196	1 104	210 321	209 73	590
<b>Total</b>	366 486	353 211	13 275	377 404	368 904	8 500

## PROGRAMME 2: SOCIAL WELFARE SERVICES

Table 2.4.4.2:

Sub-programme: Services to Older Persons									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
Reduced levels of poverty, inequality, vulnerability and social ills by 2025	Older persons who accessed services.	Number of older persons accessing residential facilities	564	542	537	516	-21	Older persons prefer to be kept in communities since Covid 19 outbreak	
Reduced levels of poverty, inequality, vulnerability and social ills by 2025	Older persons who accessed services.	Number of older persons accessing community-based care and support services	0	7 399	9 250	11 480	+2 230	Older persons are attracted to active aging programmes	

<b>Sub-programme: Services to Persons with Disabilities</b>									
<b>Outcome</b>	<b>Output</b>	<b>Output Indicator</b>	<b>Audited Actual Performance 2020/2021</b>	<b>Audited Actual Performance 2021/2022</b>	<b>Planned Annual Target 2022/2023</b>	<b>Actual Achievement 2022/2023</b>	<b>Deviation from planned target to Actual Achievement 2022/2023</b>	<b>Reasons for deviations</b>	
Reduced levels of poverty, inequality, vulnerability and social ills by 2025	Persons with disabilities who accessed services	Number of persons with disabilities accessing residential facilities	283	294	284	294	+10	Epilepsy South Africa admitted above the target	
Reduced levels of poverty, inequality, vulnerability and social ills by 2025	Persons with disabilities who accessed services.	Number of persons with disabilities accessing services in funded protective workshops	0	2 924	2 762	3 514	+752	Awareness campaigns conducted in the 3 <sup>rd</sup> Quarter led to an increase in the number of persons accessing the service	

<b>Sub-programme: HIV and AIDS</b>								
<b>Outcome</b>	<b>Output</b>	<b>Output Indicator</b>	<b>Audited Actual Performance 2020/2021</b>	<b>Audited Actual Performance 2021/2022</b>	<b>Planned Annual Target 2022/2023</b>	<b>Actual Achievement 2022/2023</b>	<b>Deviation from planned target to Actual Achievement 2022/2023</b>	<b>Reasons for deviations</b>
Reduced levels of poverty, inequality, vulnerability and social ills by 2025	Beneficiaries reached through social behaviour change and psycho-social Support Services	Number of implementers trained on social, and behaviour change programmes	-	725	515	579	+64	National DSD trained additional implementers for the province.
		Number of beneficiaries reached through social and behaviour change programmes	5 623	25 618	29 012	39 514	+10 502	National DSD trained additional implementers for the province.
		Number of beneficiaries receiving psycho-social support services	10 444	13 259	10 800	14 029	+3 229	Strengthened partnership with DoH led to more referrals

Sub-programme: Social Relief									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
Reduced levels of poverty, inequality, vulnerability and social ills by 2025	Individuals who benefitted from Social Relief of Distress	Number of beneficiaries who benefitted from DSD social Relief programmes	-	-	1 880	2 698	+818	More people benefitted in response to incidents of disasters	



In this programme, eight (8) indicators were targeted in the APP 2022/23, of which seven (7) indicators were achieved (88%) and one (1) not achieved (12%).

**Strategy to overcome areas of under performance**

Under performed indicator	Strategy to overcome areas of underperformance
Number of older persons accessing residential facilities	The indicator will be reported in the APP 2023/24 and services will be rendered as older persons are a vulnerable group

**Linking performance with budgets**

**Sub-programme expenditure**

Sub- Programme Name	2022/2023			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management and Support	52 449	45 808	6 6 41	46 574	44 971	1 603
Services to Older Persons	149 747	152 205	(2 458)	162 809	159 014	3 795
Services to Persons with Disabilities	155 360	159 840	(4 480)	162 900	159 579	3 261
HIV/AIDS	111 502	110 184	1 318	101 595	99 842	2 753
Social Relief	1 034	839	195	884	693	191
<b>Total</b>	<b>470 092</b>	<b>468 876</b>	<b>1 216</b>	<b>474 762</b>	<b>463 159</b>	<b>11 603</b>

### **PROGRAMME 3: CHILDREN AND FAMILIES**

**Table 2.4.4.2:**

<b>Sub-programme: Care and Services to Families</b>								
<b>Outcome</b>	<b>Output</b>	<b>Output Indicator</b>	<b>Audited Actual Performance 2020/2021</b>	<b>Audited Actual Performance 2021/2022</b>	<b>Planned Annual Target 2022/2023</b>	<b>Actual Achievement 2022/2023</b>	<b>Deviation from planned target to Actual Achievement 2022/2023</b>	<b>Reasons for deviations</b>
Reduced levels of poverty, inequality, vulnerability and social ills by 2025	Families members participated in family preservations	Number of family members participating in family preservation Services	15 384	33 502	26 980	35 184	+8 204	Responded to increased cases of social ills
	Family members reunited	Number of family members united with their families	-	283	191	254	+63	More family members ready for reunification
	Family members participated in parenting programmes	Number of family members participating in parenting programmes	0	13 795	8 745	15 364	+6 619	Responded to increased cases of social ills

Sub-programme: Child Care and Protection Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Reduced levels of poverty, inequality, vulnerability and social ills by 2025	Orphans and vulnerable children supports	Number of reported cases of child abuse	-	398	380	678	+298	Awareness campaigns led to increase in the number of reported cases
		Number of children with valid foster care order	-	34 029	33 798	36 843	+3 045	Monitoring of court orders have been strengthened
	Children birth to school going age accessed services	Number of children placed in foster care	2 145	3 091	2 470	2 665	+195	Decentralization of section 125 of the Children's Act 38/ 2005 for screening of prospective foster parents (Form 30)
	Children birth to school going age accessed services	Number of children in foster care re-unified with their families	-	29	24	21	-03	Three (3) families were not ready to be reunified with their children
		Number of children accessing registered partial care facilities	-	1 075	1 290	1 589	+299	Parents willing to enrol children in partial care facilities

<b>Sub-programme: Child and Youth Care Centres</b>								
<b>Outcome</b>	<b>Output</b>	<b>Output Indicator</b>	<b>Audited Actual Performance 2020/2021</b>	<b>Audited Actual Performance 2021/2022</b>	<b>Planned Annual Target 2022/2023</b>	<b>Actual Achievement 2022/2023</b>	<b>Deviation from planned target to Actual Achievement 2022/2023</b>	<b>Reasons for deviations</b>
Reduced levels of poverty, inequality, vulnerability and social ills by 2025	Children aged 0-18 cared and protected	Number of children placed in Child and Youth care centres	907	746	728	817	+89	High number of reported cases of children in need of care and protection needing residential care outside of their family environment
		Number of children in CYCCs re-unified with their families	-	112	99	140	+41	Families were ready to be re unified with their children

<b>Sub-programme: Community-Based care Services for Children</b>								
<b>Outcome</b>	<b>Output</b>	<b>Output Indicator</b>	<b>Audited Actual Performance 2020/2021</b>	<b>Audited Actual Performance 2021/2022</b>	<b>Planned Annual Target 2022/2023</b>	<b>Actual Achievement 2022/2023</b>	<b>Deviation from planned target to Actual Achievement 2022/2023</b>	<b>Reasons for deviations</b>
Reduced levels of poverty, inequality, vulnerability and social ills by 2025	Children aged 0-18 who accessed services	Number of children reached through community-based prevention and early intervention programmes	-	37 378	31 900	39 715	+7 815	Assessed vulnerable children required the service

***In this programme, eleven (11) indicators were targeted in the APP 2022/23, of which ten (10) indicators were achieved (91%) and one (1) not achieved (9%)***

**Strategy to overcome areas of under performance**

Under performed indicator	Strategy to overcome areas of underperformance
Number of children in foster care re-unified with their families	To make the necessary follow-ups with the three (3) families

**Linking performance with budgets**

**Sub-programme expenditure**

Sub- Programme Name	2022/2023			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management and Support	22 716	23 369	(608)	23 208	22 941	267
Care and Support Services to Families	99 232	99 427	805	105 085	104 609	476
Child Care and Protection Services	118 760	118 772	(12)	126 775	126 317	458
ECD and Partial Care	107 070	107 696	(626)	509 798	466 864	43 934
Child and Youth Care Centres	158 632	155 929	2 703	148 234	151 160	(2 926)
Community-Based Care Services for Children	123 233	122 280	953	109 527	106 222	3 305
<b>Total</b>	<b>629 688</b>	<b>626 473</b>	<b>3 215</b>	<b>1 022 627</b>	<b>977 113</b>	<b>45 514</b>



## **PROGRAMME 4: RESTORATIVE SERVICES**

**Table 2.4.4.2:**

<b>Sub-programme: Crime Prevention and Support</b>								
<b>Outcome</b>	<b>Output</b>	<b>Output Indicator</b>	<b>Audited Actual Performance 2020/2021</b>	<b>Audited Actual Performance 2021/2022</b>	<b>Planned Annual Target 2022/2023</b>	<b>Actual Achievement 2022/2023</b>	<b>Deviation from planned target to Actual Achievement 2022/2023</b>	<b>Reasons for deviations</b>
Reduced levels of poverty, inequality, vulnerability and social ills by 2025	Less persons reached through prevention programmes	Number of persons reached through social crime prevention programmes	-	11 516	9 200	14 329	+5 129	Intensified outreach and awareness campaigns programmes
		Number of persons in conflict with the law who completed diversion programmes	401	559	455	572	+117	People complied with diversion programmes requirements
Reduced levels of poverty, inequality, vulnerability and social ills by 2025	Less Children 10-18 years in conflict with the law who committed crime	Number of children in conflict with the law who accessed secure care centres	-	143	125	58	-67	Strengthened prevention programmes

Sub-programme: Victim Empowerment								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Empowered, resilient individuals, families and sustainable communities by 2025	Less incidents of gender-based violence	Number of victims of crime and violence accessing support services	10 223	10 573	10 830	12 094	+1 264	Impact of campaigns on GBVF in districts led to increased reported cases
		Number of human trafficking victims who accessed social services	-	3	4	0	-4	No cases reported in the period under review
		Number of victims of GBVF and crime who accessed sheltering services	-	114	80	159	+79	Admission of hate crime victims to shelters

Sub-programme: Substance abuse, Prevention and Rehabilitation								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Empowered, resilient individuals, families and sustainable communities by 2025	Service users accessing substance abuse prevention and treatment services	Number of people reached through substance abuse prevention programmes	-	39 917	37 000	51 118	+4 118	Intensified outreach and awareness campaigns programmes
		Number of service users who accessed Substance Use Disorder (SUD) treatment services	-	319	350	449	+99	Intensified outreach and awareness campaigns programmes

**Strategy to overcome areas of under performance**

Under performed indicator		Strategy to overcome areas of underperformance
Number of victims of GBVF and crime who accessed sheltering services		The target has been adjusted upward in the APP 2023/24

In this programme, eight (8) indicators were targeted in the APP 2022/23, of which seven (7) indicators were achieved (88%) and one (1) not achieved (12%).

Strategy to overcome areas of under performance

Under performed indicator	Strategy to overcome areas of underperformance
Number of older persons accessing residential facilities	The indicator will be reported in the APP 2023/24 and services will be rendered as older persons are a vulnerable group

Linking performance with budgets

Sub-programme expenditure

Sub- Programme Name	2022/2023			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management and Support	7 340	7 341	(1)	8 468	7 751	717
Crime Prevention and Support	57 039	53 665	3 374	61 244	63 811	(2 567)
Victim Empowerment	79 285	75 962	3 323	71 221	66 222	5 040
Substance Abuse, Prevention and Rehabilitation	66 035	64 352	1 683	66 162	64 309	1 853
<b>Total</b>	<b>209 699</b>	<b>201 320</b>	<b>8 379</b>	<b>207 095</b>	<b>202 052</b>	<b>5 043</b>

## PROGRAMME 5: DEVELOPMENT AND RESEARCH

Table 2.4.4.2:

Sub-programme: Community Mobilisation								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Empowered, resilient individuals, families and sustainable communities by 2025.	Poor and vulnerable people mobilized to participate in community development and empowerment programmes	Number of people reached through community mobilization programmes	-	11 169	10 000	13 314	+3 314	Collaboration with other stakeholders such as Dept. of Agriculture, Education, SASSA and SANCA
Sub-programme: Institutional capacity building and support for NPOs								
Empowered, resilient individuals, families, and sustainable communities by 2025	NPOs empowered to manage their affairs.	Number of NPOs capacitated according to the capacity building guideline	-	3 013	3 000	3 375	+ 375	Additional capacity building on Microsoft-on-line was provided by National Department of Social Development (NDSD)

### Sub-programme: Poverty Alleviation and Sustainable Livelihoods

Empowered, resilient individuals, families and sustainable communities by 2025	Poor and the vulnerable people benefitting from funded sustainable livelihoods projects	Number of people benefitting from poverty reduction initiatives	-	878	1 000	1 252	+ 252	Increased number of funded poverty reduction initiatives resulted in additional beneficiaries
Empowered, resilient individuals, families and sustainable communities by 2025	Poor and the vulnerable people benefitting from household food and nutrition security programmes	Number of households accessing food through DSD food security programmes	-	11 296	7 000	3 323	-1 677	Inadequate budget for household backyard gardens
Empowered, resilient individuals, families and sustainable communities by 2025		Number of people accessing food through DSD feeding programmes (centre-based)	-	92 083	16 750	21 851	+5 101	High intake of beneficiaries in Drop-in Centers (DICs)
	Work opportunities created	Number of EPWP work opportunities created through DSD programmes	3 852	3 115	3 000	2 822	-178	Non-funding of Community Nutrition Development Centre (CNDs) shed job opportunities



Sub-programme: Community Based Research and Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Empowered, resilient individuals, families and sustainable communities by 2025	Poor and vulnerable households' status analysed for interventions	Number of households profiled	0	9 765	6 000	6 673	+673	Incidents of disasters contributed to more households profile

Sub-programme: Youth Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Empowered, resilient individuals, families and sustainable communities by 2025	Young people between the ages of 18 to 35 empowered for job creation and other opportunities	Number of youth participating in skills development programmes	0	1 143	550	946	+396	Accredited training provided in collaboration with IMPACT Education, Vaal University of Technology (VUT), Mogolo Training Centre, Capricorn TVET and Mopani Youth In Action
		Number of youths participating in entrepreneurship development programmes	0	6 972	5 500	6 907	+1 407	Effective partnership with stakeholders such as NYDA, LEDA, and Avocado Vision yielded positive results

Sub-programme: Women Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
Empowered, resilient individuals, families and sustainable communities by 2025	Women empowered on skills, Cooperatives, SMMEs and food security initiatives	Number of women participating in empowerment programmes	-	18 202	16 000	18 075	+ 2 075	Effective partnership with LEDA, SAPS, SARS, Dept of Labour and NICRO led to increased number of women participating in the empowerment programme

Sub-programme: Population Policy Promotion								
Empowered, resilient individuals, families and sustainable communities by 2025	Impact of DSD funding residential facilities research report produced	Number of research projects completed	-	1	1	1	0	None

*In this programme, eleven (11) indicators were targeted in the APP 2022/23, of which nine (9) indicators were achieved (82%) and one (2) not achieved (18%)*

Strategy to overcome areas of under performance

Under performed indicator	Strategy to overcome areas of underperformance
Number of households accessing food through DSD food security programmes	Strengthen partnership with Department of Agriculture
Number of EPWP work opportunities created through DSD programmes	Appoint twenty-seven (27) Community Nutrition Development Centre (CNDs) to job opportunities in 2023/24 financial year

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

None

Reporting on the Institutional Response to the COVID-19 Pandemic

Table: Progress on Institutional Response to the COVID-19 Pandemic

Budget Programme	Intervention	Geographic location (Province/ District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Programme1: Administration	Procurement of cleaning material for all DSD facilities	All Districts	2 873	Males: 888 Females: 1985 Disability: 57	R1,050 000	R621 000	N/A	Safe, Clean and Healthy Work Environment

## Linking performance with budgets

### Sub-programme expenditure

Sub- Programme Name	2022/2023			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management and support	164 652	165 009	(357)	159 332	167 317	(7 985)
Community Mobilisation	500	336	164	1 556	600	956
Institutional Capacity and Support to NPO	14 291	13 807	484	16 107	13 558	2 546
Poverty Alleviation and Sustainable Livelihood	27 436	25 429	2 007	24 510	23 243	1 267
Community-Based Research and Planning	2 121	2 116	5	2 092	1 242	8502
Youth Development	11 341	11 309	32	13 873	11 418	455
Women Development	7 032	7 079	(47)	4 677	3 752	925
Population policy and Promotion	4 004	3 970	34	4 039	3 303	736
Total	231 377	229 055	2 322	226 186	224 433	1 753

Sub-programme expenditure

Sub- Programme Name	2022/2023			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New Replacement Assets	12 028	9 289	2 739	13 808	8 485	5 323
Existing infrastructure assets	0	0		0	0	0
-Upgrades and additions	0	0		0	0	0
-Rehabilitation, renovations, and refurbishments	0	0		0	0	0
-Maintenance and repairs	4 489	4 319	170	28 403	25 148	3 255
Infrastructure transfer						
-Current	4 489	4 319	170	28 403	25 148	3 255
-Capital	12 028	9 289	2 739	13 808	8 485	5 323
<b>Total</b>	<b>16 517</b>	<b>13 608</b>	<b>2 909</b>	<b>42 211</b>	<b>33 633</b>	<b>8 578</b>



## 5. TRANSFER PAYMENTS

### 5.1. Transfer payments to public entities

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
None	None	None	None	None

### 5.2. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2022 to 31 March 2023

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred. (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Prevention, Treatment and Rehabilitation Services	NPOs	Provide prevention, treatment, and rehabilitation services to the community	Yes	4 552	4 441	NPOs were non-compliant
Services to Older Persons	NPOs	Provide care and support Services to Older Persons	Yes	26 145	25 545	
Child and Youth care Centres (CYCC)	NPOs	To provide care and support for children in need of care and protection	Yes	30 906	30 598	
Care and Support to Families	NPOs	Provide integrated services to families	Yes	19 119	18 952	

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred. (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Victim Empowerment	NPOs	Provide counselling to victims of crime and violence in funded sites	Yes	13 809	13 543	
Community Based Care services for Children	NPOs	Provide services to orphans and vulnerable children	Yes	71 718	70 812	Eighteen (18) NPOs did not comply with the service package, norms and standards
Youth Development	NPOs	Empowering youth structures to conduct services for youth development	Yes	3 000	3 100	None
Community Based Projects	NPOs	Reduce vulnerability in poor households and communities	Yes	21 401	21 334	None

The table below reflects the transfer payments which were budgeted for in the period 1 April 2022 to 31 March 2023, but no transfer payments were made.

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
None	None	None	None	None

## 6 CONDITIONAL GRANT and EARMARKED FUNDING

### 6.1. Conditional grant paid.

- Expanded Public Works Programme

#### Conditional Grants: Extended Public Works Programme – Incentive and Integrated

Department who transferred the grant	Public Works and Infrastructure
Purpose of the grant	Facilitate the achievement of the 2022/23 Social Sector work opportunities targets
Expected outputs of the grant	Monitor and support implementation of the plan
Actual outputs achieved	405 Jobs created and payment of stipend
Amount per amended DORA	R7 865 000 (Incentive grant) and R2 570 000 (Integrated grant)
Amount received (R'000)	R10 435 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R10 233 000
Reasons for the funds unspent by the entity	The underspending is due to Non-Compliance with CSD Requirements
Reasons for deviations on performance	
Measures taken to improve performance	More participants paid through Persal
Monitoring mechanism by the receiving Department	Standard reporting tool per prescripts

The table/s below details the earmarked funds received during for the period 1 April 2022 to 31 March 2023.

## 7. DONOR FUNDS

### 7.1 Donor Funds Received

- Donor Fund HWSETA: Name of donor HWSETA

Name of donor	HWSETA
Full amount of the funding	R 2 022 075
Period of the commitment	2022/23 financial year
Purpose of the funding	Reimbursement of expenditure incurred against development and training of staff
Expected outputs	Training and development provided to DSD staff
Actual outputs achieved	Clearance of development and training expenditure from CoE programme
Amount received in current period (R'000)	R654 600
Amount spent by the Department (R'000)	R654 000
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	The employer report is submitted to the donor on quarterly basis.

## 8 CAPITAL INVESTMENT

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

Sub- Programme Name	2022/2023			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New Replacement Assets	12 028	9 289	2 739	13 808	8 485	5 323
Existing infrastructure assets	0	0		0	0	0
-Upgrades and additions	0	0		0	0	0
-Rehabilitation, renovations, and refurbishments	0	0		0	0	0
-Maintenance and repairs	4 489	4 319	170	28 403	25 148	3 255
Infrastructure transfer						
-Current	4 489	4 319	170	28 403	25 148	3 255
-Capital	12 028	9 289	2 739	13 808	8 485	5 323
Total	16 517	13 608	2 909	42 211	33 633	8 578

## PART C: GOVERNANCE



## **1. INTRODUCTION**

The Department is committed to strengthening and improving Good Governance with a view of enhancing effective and efficient service delivery to the need and the most vulnerable in the society.

To this effect, the following Governance structures were put in place during the year under review:

- Executive Management Committee (EMC)
- Senior Management Committee (SMC)
- Departmental Budget Committee (DBC)
- Departmental Transport Committee (DTC)
- Risk Management Committee (RMC)
- Financial Misconduct Board (FMB)
- Departmental Bid Committees (DBC's)
- Audit Steering Committee (ASC)

## **2. RISK MANAGEMENT**

### **2.1. Risk Management Policy and Strategy**

The Department has reviewed Risk Management Policy, Strategy, Charter, and Implementation Plan of which they had been implemented. Subsequently awareness workshops were conducted to ensure that employees are familiar with all risk management enabling documents.

### **2.2. Risk Assessment Process**

The Department coordinated risk management workshops facilitated by the independent risk chairperson supported by provincial transversal risk unit which informed strategic and operational risk identification, assessment, and risk tolerance and appetite. In the development and compilation of the risk assessment report, the Department considered the inputs made by the Audit Committee in ensuring that the risk assessment processes encompass the risks from the core mandate of the Department. The identified mitigation strategies were aligned to both Annual Performance Plan (APP) and Operational Plan.

The Department adopted risk assessment process plan as part of inclusive risk identification processes. The risk process plan incorporated comprehensive consultation with all relevant internal risk management role players. The plan also included the training of Risk Management Committee members and the Risk Champions.

The Risk Management Unit had a joint technical planning session with Strategic Planning, Monitoring and Evaluation Unit to align to MTSF and sector priorities with identified strategic and operational risks.

As part of the process plan, the Risk Management Unit made presentation to Executive Management Committee and Senior Management Committee highlighting area of concern from the Audit Committee, the observation made throughout the previous years and other areas of concern as per the risk management reports. In the process of risk identification, reports of the Audit Committee, Internal Audit and AGSA as well as 2020/21 risk evaluation outcome were considered in the development the 2022/23 risk profile.

### 2.3. Outcome of the risk assessment processes and the evaluation

The legends below indicate the risk performance during the year under review. The green colour indicate that the risk has been satisfactory mitigated, amber colour indicates that the risk was partially mitigated, however only positive progress has been registered and the red colour indicate that the risk was not mitigated.

In some instances, the risk has been carried forward to the next financial due to its impact on the Departmental.

The following legends represent the performance of the risk in terms of how the Department have managed it in terms of the risk appetite of each risk identified.

#### RISK RATING LEGENDS

<b>Mitigated</b>	
<b>Partially mitigated</b>	
<b>Not adequately mitigated</b>	

OUTCOMES	RISKS	MITIGATION	RISK EVALUATION
Empowered resilient individuals, families, and sustainable communities	Increased incidence of GBV and homicide	Strength coordinated intervention in partnership with stakeholders. (Schools, NGOs, NPOs, SAPS, Justice Dept, NPA) Conduct GBV awareness to the communities	<ul style="list-style-type: none"> <li>12134 Number of victims of crime and violence accessing support services.</li> <li>The risk will be carried forward to the next financial year</li> </ul>
Reduced levels of poverty, inequality, vulnerability and social ills Provision of Employee Health and wellness services	Inadequate care and protection of children in foster care.	Review the standard operating procedure to incorporate the electronic case management system. Ensure all foster care officials are trained on the electronic=c system before 1 April 2022 Implementation of the Web-Based Foster care monitoring tool/electronic database which will notify both the province and the districts on foster cases that are due to lapse within six months.	<ul style="list-style-type: none"> <li>Foster care coordinators in the districts and sub-districts have been trained on the Web-based foster care monitoring tool/electronic.</li> <li>The web-based system is being implemented and data capturers have been allocated municipalities to fast-track capturing.</li> <li>Twenty (20) interns have been allocated to the province through partnership with National DSD and Tsa-Africa organization to capture foster care files in the system.</li> </ul>

OUTCOMES	RISKS	MITIGATION	RISK EVALUATION
Reduced levels of poverty, inequality, vulnerability and social ills	High rate of substance abuse	Strengthen Implementation of Social Behaviour Change Programs (You Only Live Once, Ke Moja, Learner Support Program) Conduct awareness to the communities	<ul style="list-style-type: none"> <li>• 50 854 Number of people reached through substance abuse prevention programmes</li> <li>• The risk will be considered at the operational level</li> </ul>
Reduced levels of poverty, inequality, vulnerability, and social ills	Increased incidents of social relief of distress	Implement Comprehensive poverty relief interventions framework	<ul style="list-style-type: none"> <li>• 2 641 High incidences of disaster reported.</li> <li>• The risk will not be considered as part of the operational risks and as at when is materializing</li> </ul>
Functional, efficient and integrated sector	High staff turnover rate	Assign interested personnel additional responsibilities. Headcount costs to identify available filling of critical posts. Review the structure to align it with the MTEF budget allocation and regroup functions and rep	<ul style="list-style-type: none"> <li>• The manager has been appointed the recruitment process for the CFO has been concluded and is awaiting approval.</li> <li>• Draft recruitment plan developed and submitted to Provincial Treasury for approval.</li> <li>• Structural Review Processes is currently underway. The Office of the Premier has been requested to provide additional capacity for the finalisation of the Project due to unavailability of the Deputy Director responsible for OD in the department.</li> <li>• The risk will be carried forward to the next financial year</li> </ul>

OUTCOMES	RISKS	MITIGATION	RISK EVALUTION
Provision of Human capacity for effective and efficient delivery of Department strategic mandate	Collusion between potential employees	Recording of Interview processes	<ul style="list-style-type: none"> <li>Procurement of recording will be done in the next financial year.</li> </ul>
Reduced levels of poverty, inequality, vulnerability and social ills	Increased incidences food insecurity	Expand feeding to twenty-seven (27) Community Development Centers (CNDs) to benefit 6 750 Food insecure people	<ul style="list-style-type: none"> <li>There was no feeding in the targeted twenty-seven (27) Communities.</li> <li>The risk will be carried forward to the next financial year</li> </ul>
Service Delivery	Increased number of unskilled youths	Reprioritized accredited training and start-up capital to trainees upon completion of the training to establish their small businesses	<ul style="list-style-type: none"> <li>557 Youth participating in an accredited training in partnership with Vall University of Technology, The giant Computer Training, Turkey Youth Rehabilitation Centre, impact Education and Capricorn TVET.</li> <li>The risk will be considered at the operational level.</li> </ul>
Provision of ICT support, infrastructure and tools of trade for effective and efficient service delivery.	Loss of critical business information and management of data	<p>Conduct awareness on the records management guidelines and policies</p> <p>Development of SOPs for Districts, Institutions and Head Office</p> <p>Development of e-submission system and archive management system.</p> <p>Rollout of Sector National Systems to enhance Departmental Specific Performance reporting.</p> <p>Upgrade Departmental facilities</p>	<ul style="list-style-type: none"> <li>The Department is conducting workshops on Records Management and POPIA awareness workshops at all the District</li> <li>The Department is continuing to implement National Systems</li> <li>The risk will be carried forward to the next financial year.</li> </ul>

OUTCOMES	RISKS	MITIGATION	RISK EVALUTION
Functional, efficient and integrated sector	Inability to obtain clean audit	Strengthen Internal Control measure and build capacity within finance. Follow up on related parties that are assisting the department to conduct investigations on a continuous basis	<ul style="list-style-type: none"> <li>The department appointed Deputy Director: Assurance services to strengthen the capacity within the unit.</li> <li>Investigation completed and the Department wrote to Department of Health to implement the recommendations before submission to Provincial Treasury for condonation.</li> <li>Audit Steering Committee is functional, and meetings are held bi-weekly chaired by Accounting Officer.</li> <li>Risk has been carried forward to the next financial year</li> </ul>
Functional, efficient and integrated sector	Non-compliance to SCM prescripts	Continuous monitoring on implementation of SCM legislation Conduct Capacity Building on a regular basis	<ul style="list-style-type: none"> <li>2 Capacity Building Workshops were conducted on the Preferential Procurement Policy and BID committees for all districts.</li> <li>The risk will be considered at the operational level</li> </ul>
Provision of Employee Health and wellness services	Occupational stress / depression resulting in low staff morale.	Prioritize budget to appoint service providers to provide professional services (Psychological) and debriefing service to staff members. Training of Staff on debriefing.	<ul style="list-style-type: none"> <li>The process of appointing Service Provider was finalized during the 4th quarter.</li> </ul>
	Increased incidents of staff contracting COVID-19	Prioritize Budget for procurement of adequate PPEs	<ul style="list-style-type: none"> <li>Daily screening for COVID-19 no longer implemented due to the revised Regulations</li> </ul>



RISKS	MITIGATION	RISK EVALUTION
Exposure to Occupational Injuries and Diseases	Monitor compliance with the occupational Health and Safety Regulations. Conduct Occupational Health and Safety Assessment.	<ul style="list-style-type: none"> <li>Quarterly Occupational Health and Safety meeting held.</li> <li>Conducted Occupational Health and Safety assessment in all District Offices.</li> <li>Procured eight First Aid Boxes for Capricorn District</li> </ul>
Inadequate capacity to implement OHS requirements	Ensure appointment of cleaning personnel, and procurement of cleaning material and equipment	<ul style="list-style-type: none"> <li>EPWP were contracted from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023</li> <li>Cleaning material available to enable safe and healthy work environment</li> </ul>

#### 2.4. Risk Management Monitoring and Reporting

- The risk owners have developed a risk action plan of which progress was reported quarterly and annual basis as part of monitoring and evaluation of the impact of implementation of the mitigation strategies.
- Risk Management unit has developed and implemented risk management implementation plan and all the activities were achieved.
- The Risk Management Unit reported progress on quarterly and annual basis to the Risk Management Committee, Executive Management, Provincial Treasury and Audit Committee for review and provide combined assurance to the department.

#### 2.5. Risk Management Committee

- The department has established a Risk Management Committee which is chaired by an independent chairperson who is not in the employ of Government. The Independent Chairperson was appointed for a period of 2 years ending August 2023.
- The committee comprised of all Chief Directors, District Directors, Director: GITO, Legal Services and the CRO serves as the secretariat. The Provincial Treasury (Internal Audit and Transversal Risk) participates in the RMC as standing invitees.
- The Committee held 4 Risk Management Committee meeting during the year under review.
- Independent risk chairperson prepared Quarterly Risk management Committee reports for the Accounting Officer (HOD) and Audit Committee (AC) in terms of Public Sector Risk Management Framework and other applicable regulations.
- The reports dealt with the overview of risk management activities highlights and challenges facing the department together with the Risk Management Committee (RMC) resolutions and recommendations.



## 2.6. Risk Management Structure

- In terms of the approved Risk Management Structure, the directorate is responsible for 3 sub-directorates namely Risk Management, Security Management and Anti – Fraud and Corruption.
- As at the 31 March 2023, the vacancy rate was 67%, refer to the table below.

Posts	Risk Management	Anti – Fraud and Corruption	Security Management
1 x Chief Risk Officer	Post Filled		
Deputy Directors:	Post vacant	Post vacant	Post vacant
Assistant Directors:	No post	Filled	Post vacant
Assistant Director x 5: District Office	Three Posts filled (Vhembe, Mopani, and Sekhukhune District), Capricorn District have official who has been seconded to perform Risk Management related function and there is a vacancy at Waterberg District.		

The non-filling of these critical posts contributed to the inability of the unit to fast-track and finalise the investigations of cases on time.

## 2.7. Impact in the management of risk on the departmental performance

The Department managed to mitigate at least 20% of the risks for the year under review, 40% of the risks not fully mitigated and were carried forward to the next financial year. About 40% of the risks have been considered at the operational level.

## 3. FRAUD AND CORRUPTION

The Department has reviewed the Anti-Fraud and Corruption Prevention Policy, Whistle Blowing Policy, and Fraud Prevention Plan. Reported fraud and corruption and some legacy cases of irregular expenditure were investigated and recommendations were implemented through Labour Unit.

The Department conducted awareness workshops as a proactive measure to ensure that employees are familiar with Anti-Fraud and Corruption policy,

All the allegation of fraud and corruption can be reported to the following institution or organisation

Institution	Contacts
National Anti-Corruption Hotline	0800 701 701
Office of the Premier	01 287 6000
Office of the MEC	015 230 4300
Office of the HOD	015 230 4301
Risk Management Unit	015 230 4448

The Department received 16 cases, 8 cases of unwanted expenditures were completed, and 8 cases (2 cases by public protector, 1x Department of education and 5 by Risk Management internally) are still under investigation, the backlog cases from 2010/2011 financial year which include unwanted expenditure were completed, only case of irregular expenditure relating to missing document is still under investigation.

The Risk management Unit finalised and presented nine (9) cases of unwanted expenditure to the newly established financial misconduct board (FMB) for consideration and recommendation to the accounting officer for an appropriate course of action.

## 4 MINIMISING CONFLICT OF INTEREST

The Department ensured that every member of the SMS has declared registrable interests and submitted to the Public Service Commission, declarations by members of Bid Adjudication Committees are done through the completion of security clearance forms and once a conflict of interest is identified, the incumbent is immediately asked to recuse himself or herself from participating in the proceedings of the bid committees.

## 5 CODE OF CONDUCT

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

The code of conduct further assists in providing direction to the employees with regard to their relationship with the political office bearers, executive and the public at large and those employees who breach the code of conduct are subjected to the disciplinary processes in line with relevant prescripts including observing rules of natural justice.

## 6 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The following measures were implemented to address the Health, Safety and Environmental issues and their effects on the Department:

The Department has a dedicated Employee Health and Wellness Division which assist employees who present with either work or personal related problems. Psycho-social support, counselling and debriefing services offered to affected employees which empowers them with skills, knowledge and positive reinforcement to manage their lifestyles.

The Occupational Health and Safety Committees established whereby meetings are held quarterly to engage on health and safety measures in the workplace. Periodical Occupational Health and Safety assessment conducted to determine potential occupational health hazards and to minimize injuries on duty and diseases.

Proactive Health Promotion, Education and Awareness programmes are periodically conducted in the workplace to empower employees on health-related matters. Health screenings services for non -communicable diseases, HIV Counselling and Testing, TB Screening are done to encourage employees to know their health status. The service helps the Department to promote health and wellness culture amongst employees and to maintain a safe and health work environment. Proactive health programmes implemented serves as preventative measure for lifestyle disease, helps employees to know and manage their health status, reduces workplace injuries, diseases, and absenteeism, builds effective teamwork and motivates employees for optimal performance.

## 7 PORTFOLIO COMMITTEES

### 7.1 The dates of the Portfolio meetings were as follows:

- 26 May 2022
- 21 July 2022
- 28 October 2022

### 7.2 Matters raised by the Portfolio Committee include amongst others the following:

No	Matters raised	Progress made
1	Delays in the payment or transfer to Non-Profit organization (NPOs) which had a negative impact on service delivery particularly the poor and the vulnerable.	The Department developed and implemented budget spending accelerated strategy and all compliant organizations were paid by March 2023
2	Delay in the investigations of unwanted expenditure cases	The Department has completed investigations on legacy cases and currently investigating a case relating to missing documents which occurred in 2019.

No	Matters raised	Progress made
3	Failure to institute consequence management on officials responsible for unwanted expenditure	The department has approved its consequence management framework and is being implemented accordingly
4	Delay in the filling of the post of the CFO is compromising the review function of the AFS	The department has established an AFS Technical Review Team to support the acting CFO and his team in a quest to improve the quality of the Annual Financial statements
5	Failure to resolve all AGSA findings	The Department has managed to resolve seventeen (17) of the eighteen (18) AGSA findings which is 94.45%, the unresolved finding relate to legacy matter on Phahla selotole.one stop facility

## 8. SCOPA RESOLUTIONS

This report covers SCOPA Resolutions for 2017/18, 2018/19, 2019/20 and 2020/21 financial years.

Resolution No.	Subject	Details	Progress to date	Resolved (Yes/No)
1.	<b>Receivables, payables not recognized and, prepayments and advances</b>	The Committee recommends that the Accounting Officer must take appropriate action against responsible officials for failing to put adequate systems of internal control for the recording of all receivables, payables not recognized and, prepayments and advances.	The department requested Provincial Treasury to appoint a team to conduct investigations which were carried out by the Shared Internal Audit unit and a report has since been issued. The recommendation is that consequence management should be enforced for late submission of secondary information to the annual financial statements. The process of implementing the recommendations by Provincial Treasury is in progress. This will be implemented in line with the applicable prescripts	<b>YES</b>

Resolution No.	Subject	Details	Progress to date	Resolved (Yes/No)
2.	<b>Restatement of corresponding figures</b>	The Committee recommends that the Accounting Officer must take appropriate action against responsible officials for failing to correct the errors in the financial statement for the 2017/18 financial year before submission to the Auditor General.	The department requested Provincial Treasury to appoint a team to conduct investigations which were carried out by the Shared Internal Audit unit and a report has since been issued. The recommendation is that consequence management should be enforced for late submission of secondary information to the annual financial statements. The process of implementing the recommendations by Provincial Treasury is in progress. This will be implemented in line with the applicable prescripts.	<b>YES</b>
3.	<b>Annual financial statements, performance, and annual report</b>	The Committee recommends that the Executing Authority must take appropriate action against the Accounting Officer and responsible officials for submitting financial statements that were not prepared in accordance with the prescribed financial reporting framework	The department requested Provincial Treasury to appoint a team to conduct investigations which were carried out by the Shared Internal Audit unit and a report has since been issued. The recommendation is that consequence management should be enforced for late submission of secondary information to the annual financial statements.	<b>YES</b>



Reso- lution No.	Subject	Details	Progress to date	Resolved (Yes/No)
			The process of implementing the recommendations by Provincial Treasury is in progress. This will be implemented in line with the applicable prescripts	
4.	Failure to implement house resolutions for 2014/15;2015/6;2016/17 and 2017/18 in the house	The committee recommends that Executing Authority must appraise the House on the implementation of the 2014/15; 2015/16; 2016/17 in the House resolutions as a matter of urgency and submit a report to SCOPA and Portfolio Committee of Sport, Arts and Culture by 31 October 2020.	Executing Authority managed to table the progress on the implementation of house resolutions in October 2020. Evidence relating to this matter was provided.	<b>YES</b>
5.	Conditional grants and transfers	The Committee recommends that the Accounting Officer must investigate to determine reasons as to why Early Childhood Development (ECD) grant was not used for its intended purpose.	The matter has since been investigated and condoned by Provincial Treasury	<b>YES</b>
6.	Annual financial statements, performance, and annual report	The Committee recommends that the Executing Authority must take appropriate action against Accounting Officer for submitting financial statements that were not prepared in accordance with prescribed financial	The department requested Provincial Treasury to appoint a team to conduct investigations which were carried out by the Shared Internal Audit unit and a report has since been issued. The recommendation is	<b>YES</b>



Resolution No.	Subject	Details	Progress to date	Resolved (Yes/No)
		reporting framework and or supported by the full and proper records.	that consequence management should be enforced for late submission of secondary information to the annual financial statements. The process of implementing the recommendations by Provincial Treasury is in progress. This will be implemented in line with the applicable prescripts.	
7.	Stagnant in the audit outcomes	The Committee recommends that the Accounting Officer must develop a comprehensive plan to obtain a clean audit.	The department developed a comprehensive action plan with timelines to obtain clean audit.	<b>NO</b>
8.	Irregular Expenditure	The Committee recommends that the Accounting Officer must act against responsible officials for failing to take effective steps to prevent irregular expenditure	Irregular expenditures are currently under investigation. Appropriate action will be taken against responsible officials as per recommendations from the investigation reports.	<b>NO</b>
			<b>The two losing bidders were not provided (R14 m)</b> Investigation completed and the Department wrote to Department of Health to implement the recommendations before submission to Provincial Treasury for condonation	

Reso- lution No.	Subject	Details	Progress to date	Resolved (Yes/No)
			<p><b>Participation in a contract awarded by Department of Education for supply and delivery of Park Homes. (R3.4m)</b></p> <p>The matter has since been resolved with AGSA and the AFS has been updated and Provincial Treasury was informed.</p>	
			<p><b>Procurement of school uniform and Security (R1.1m) and (R15.5m)</b></p> <p>Investigation completed and the Department wrote to Department of Health to implement the recommendations before submission to Provincial Treasury for condonation.</p>	
			<p><b>Payment of frail care services at Shiluvana frail Care Centre (R10 million)</b></p> <p>The matter has since been resolved with AGSA and the AFS has been updated and Provincial Treasury was informed.</p>	
			<p><b>Performance bonuses (R443 000.00)</b></p> <p>Investigation is completed and the transaction has since been written-off and</p>	

Resolution No.	Subject	Details	Progress to date	Resolved (Yes/No)
			Provincial Treasury was informed.	
			<b>No declaration of interest by employees who do business with state (R554 000)</b> The transaction has since been condoned by Provincial Treasury	
			<b>Acting allowance paid beyond regulated period R176 000,00</b> The transaction has been removed from the unwanted expenditure register and Provincial Treasury was informed.	
			<b>Acting allowance paid beyond regulated period R 99 000,00</b> The transaction has been removed from the unwanted expenditure register and Provincial Treasury was informed.	
9	Fruitless and wasteful expenditure	The Committee recommends that the Accounting Officer must act against responsible officials for failing to take effective steps to prevent fruitless and wasteful expenditure.	<b>Service provider Syltech. (R259 654,70)</b> The transaction has since been written-off from unwanted expenditure and Provincial Treasury was informed.	NO

Resolution No.	Subject	Details	Progress to date	Resolved (Yes/No)
		Furthermore, the Committee recommends that the Accounting Officer must carry out all investigations into all allegations of financial misconduct committed by officials	<b>Standard bank (R7 649.41)</b>  The transaction has since been written-off from unwanted expenditure and Provincial Treasury was informed.	
			<b>Cancellation of SONA (R16 000)</b>  The expenditure has been written off in line with Debt Management Procedure Manual of 2021 and Provincial Treasury was informed.	
		It was recommended that Executive Authority must take action against the Accounting Officer and Chief Financial Officer for failing to prevent fruitless and wasteful expenditure in contravention of Section 38(1) (c) (ii) of the PFMA and Treasury regulation 9.1.1.  The Executive Authority must also investigate all allegations of financial misconduct committed by the officials and act which is commensurate with the offence committed against the responsible officials.	The then department of Health and Social Development requested DPW to erect office accommodation of which it was erected on a privately owned land by Jibeng Investment (PTY) Ltd as confirmed by Court Judgement in 2012. This resulted in the eviction of DSD officials.  The matter is currently handled by Office of the Premier Legal Services. The State Attorney requested information on mineral rights holders from the Department of	

Reso- lution No.	Subject	Details	Progress to date	Resolved (Yes/No)
			Minerals and Energy in order to inform the license holders in case of any expropriation of land.	
			The notice of expropriation of land is being prepared by the Senior Counsel and to be signed by DPW&R. This will enable the office of State Attorney to serve Jibeng Investment and those with mineral rights with notice of expropriation.	
			Following the notice to expropriation of the land, interested parties who may object the application will result with the matter being heard in the regional land claims court.	
			Approval has been granted by Public Works for payment of Mr Stroh (Evaluator). State Attorney submitted memorandum and invoice for payment of Mr Stroh.	
10	<b>Resolutions status</b>	<b><i>The Committee recommends that the Executing Authority must provide an update on the implementation of all outstanding House Resolutions dating back from 2014-2015 to 2018/19 financial years</i></b>	The Department has implemented the following House resolutions relating to the period 2014/15 to 2018/19 financial years. The department had 34 House Resolutions, 25 (74%) were implemented and 09 (26%) were not implemented.	<b>NO</b>

Reso- lution No.	Subject	Details	Progress to date	Resolved (Yes/No)
		<b><i>The Committee further recommends that the Executing Authority must take appropriate action against the Accounting Officer for failing to implement the House Resolutions for the period under review</i></b>	The letter of intention to charge Accounting Officer, Mr. J.M Mahopo has been issued	<b>NO</b>
		<b><i>The Committee further recommends that the Executing Authority must table a progress report on the implementation of all outstanding House resolutions and submit the report to both SCOPA and the Portfolio Committee on Social Development on or before 31 March 2023</i></b>	The Executing Authority shall table the progress report on the implementation of the SCOPA resolutions to the house as scheduled by the Provincial Legislature	<b>NO</b>
11	<b>Procurement and contract management</b>	<b><i>The Committee recommends that the Accounting Officer must contract the process of submitting the applications on condonement to Provincial Treasury for consideration.</i></b>	The department has submitted five (5) applications for condonation to Provincial Treasury amounting to <b>R413 347.00</b>	<b>NO</b>
		<b><i>The Committee recommends that the Executing Authority must take appropriate action against both the Accounting Officer</i></b>	The letter of intention to charge Accounting Officer, Mr. J.M Mahopo and investigation report and a referral letter has been forwarded to	<b>NO</b>



Resolution No.	Subject	Details	Progress to date	Resolved (Yes/No)
		<b>and the Chief Financial Officer for awarding contracts to bidders who did not submit their declarations on whether they are employed by the state or connected to any person employed by the state.</b>	the Mpumalanga Provincial Treasury to implement consequence management against Mr Dlamini TC: Former CFO as he is no longer an employee of the department.	
12	<b>Fruitless and wasteful expenditure</b>	<b>The Committee recommends that the Executing Authority must take appropriate action against the Accounting Officer for failing to recover and clear Fruitless and Wasteful Expenditure amounting to R6 153 000.00 which was incurred and since this audit finding is recurring.</b>	The letter of intention to charge Accounting Officer, Mr. J.M Mahopo has been issued.	<b>NO</b>
13	<b>Annual financial statements, performance, and annual report</b>	<b>The Committee recommends that the Executing Authority must take appropriate action against both the Accounting Officer and the Chief Financial Officer for submitting financial statements for auditing which were not prepared in accordance with the prescribed financial reporting framework as required by</b>	The Accounting Officer, Mr. J.M Mahopo and the Acting Chief Financial Officer, Mr. JM Tshisikhawe have been issued with final written warning letters	<b>YES</b>

Resolution No.	Subject	Details	Progress to date	Resolved (Yes/No)
		<b>section 40(1)(a) and (b) of the PFMA.</b>		
		<b>The Committee further recommends that the Executing Authority must take appropriate action against the Accounting Officer for failing to exercise his oversight responsibility regarding financial and performance reporting, compliance, and internal controls</b>	The letter of intention to charge Accounting Officer has been issued.	<b>NO</b>
		<b>The Committee further recommends that the Accounting Officer must develop an audit action plan to ensure that the material misstatements in the annual financial statements do not recur.</b>	<ul style="list-style-type: none"> <li>• The Department has developed the Audit Action plan which enables the review of financial statements on a quarterly basis. The Department has also appointed the Annual Financial Statement Review Committee whose role will be to review the financial statements in its totality.</li> <li>• The Department will improve its data management system by ensuring that there is monthly, quarterly, and annual verification of files, data validation, and quality assurance at the local service points prior</li> </ul>	<b>NO</b>

Resolution No.	Subject	Details	Progress to date	Resolved (Yes/No)
			consolidation and submission to the districts.	
14	Events after reporting date	<b><i>The Committee recommends that the Executing Authority must brief the Portfolio Committee on Social Development on the impact of Covid-19 in the Department and how budget re-prioritization had on the overall performance of the Department</i></b>	<p>The Output indicators listed were either removed from the original APP or the targets reduced in the revised APP 2020/21 due to COVID-19 Budget Reprioritization particularly on goods and services. The indicator was discontinued in the revised APP 2020/21 and the dropped output indicators were later re-incorporated into the 2021/22 Annual Performance Plan.</p> <p>In the original Annual Performance Plan 2020/21 the department planned to implement forty-eight (48) performance indicators of which only six (6) indicators were achieved (15%) and thirty-four (34) indicators were not achieved (85%). Service delivery has been negatively affected as the Department had to drop seventeen (17) performance indicators as a result of COVID – 19 pandemic.</p> <p>It is evident in the</p>	<b>NO</b>

Resolution No.	Subject	Details	Progress to date	Resolved (Yes/No)
			revised Annual Performance Plan 2020/21, wherein the department planned to implement twenty-eight (28) performance indicators in which twenty-one (21) indicators were achieved (79%) and only six (6) were not achieved (21%). This implies that indeed there was a justifiable course to revise the Annual Performance Plan 2020/21 to align with the reprioritized budget due to COVID-19 interventions.	
15	Achievement of planned targets	<i>The Committee recommends that the Executing Authority must take steps to ensure that the Accounting Officer put in place a comprehensive plan to address this anomaly.</i>	The Executing Authority has instructed the Accounting Officer to develop comprehensive plan to address this anomaly by strengthening the Departmental Performance Information Management System as part of internal controls	NO
16	Other Reports	The Committee recommends that the Executing Authority must table a report on the implementation of the findings and recommendations of the Special Investigation Unit (SIU) on the forensic	<ul style="list-style-type: none"> <li>• <b>Disciplinary action be taken against the responsible officials for gross misconduct:</b> The Department has since instituted disciplinary processes against the two SCM officials (Mr. MH Mamabolo</li> </ul>	NO

Resolution No.	Subject	Details	Progress to date	Resolved (Yes/No)
		<p><b>investigation into allegations relating to tender irregularities within the Supply Chain Management Unit of the Department which covered the 2019/20 financial period and its recommendations in the House once the investigations are concluded</b></p>	<p>and Ms. CJ Mothata) of which Mr. MH Mamabolo was dismissed, and Ms. CJ Mothata was given two month's salary suspension.</p> <ul style="list-style-type: none"> <li>• <b>Bid receipt register must be used to record all the bids received on the closing day of the tender:</b> The department currently records all received bids in the bid receipt register on the closing date.</li> <li>• <b>Lifestyle audit must be done for all SCM officials:</b> The Department requested State Security Agency to conduct lifestyle audit and the indication was that SSA has no legislative mandate to conduct lifestyle audit currently pending the finalization and adoption of Lifestyle Audit framework which will be of general application to all organs of state. SSA further advised the department to provide them with all SCM personnel for them to conduct vetting. The department has</li> </ul>	

Reso- lution No.	Subject	Details	Progress to date	Resolved (Yes/No)
			<p>since submitted a list of all SCM officials to SSA for vetting.</p> <ul style="list-style-type: none"> <li>• <b>Criminal case to be opened against officials concerned:</b> The department has opened a case no 628/05/2020 with SAPS against concerned officials.</li> </ul>	
17	<b>Stagnant of audit outcomes</b>	<b><i>The Committee recommends that the Accounting Officer must develop an audit action plan to address internal weaknesses with a view of obtaining a Clean Audit Opinion.</i></b>	The department developed a comprehensive audit action plan to address the internal weaknesses in order to obtain a clean audit. This strategy has been reviewed after the findings from AGSA Management and Audit report for 2021/22 financial year.	
18	<b>Irregular expenditure</b>	<b><i>The Committee recommends that the Executing Authority must investigate irregular expenditure and take appropriate action against responsible officials.</i></b>	The department has completed the investigations amounting to <b>R31 148 286.00</b> and is in the process of implementing the recommendations	<b>NO</b>
		<b><i>The Committee recommends that the Executing Authority must take appropriate action against the Accounting Officer for failing to investigate irregular expenditure to the tune of R46,777</i></b>	The letter of intention to charge Accounting Officer has been issued	<b>NO</b>



Resolution No.	Subject	Details	Progress to date	Resolved (Yes/No)
		<i>million that was incurred in the previous years</i>		
		<b><i>The Committee further recommends that the Accounting Officer must take appropriate action against the Chief Financial Officer for failing to comply with Supply Chain Management processes in paragraphs 29 and 30.</i></b>	Consequence management has been issued against the Acting Chief Financial Officer	<b>NO</b>
		<b><i>The Committee further recommends that the Accounting Officer must put in place measures to prevent the recurrence of irregular expenditure.</i></b>	<ul style="list-style-type: none"> <li>• The Department is utilizing the Irregular Expenditure Framework that guides on to handle issues of Irregular Expenditure</li> <li>• The Department is reporting irregular expenditure to Provincial Treasury monthly.</li> <li>• The Department beefed up the Internal Control Unit by recruiting an additional deputy director.</li> <li>• Adherence to good financial management principles and effective internal control monitoring and reporting functions which include compliance to Modified Cash</li> </ul>	<b>NO</b>

Reso- lution No.	Subject	Details	Progress to date	Resolved (Yes/No)
			Standards • Development of Clean Audit Strategy	
		<b><i>The Committee recommends that the Accounting Officer must conclude the process of submitting the applications on condonement to Provincial Treasury for consideration</i></b>	The department has submitted five (5) applications for condonation to Provincial Treasury amounting to <b>R413 347.00</b>	<b>NO</b>
19	<b>Achievement of planned targets</b>	<b><i>The Committee recommends that the Accounting Officer must take action against responsible officials who failed to achieve the planned targets since they affect the budget spending and service delivery.</i></b>	There were no responsible officials for non-achievement of targets in 2020/21 reporting period since the period under review was severely affected by Covid-19 wherein Social Workers and Community Development Practitioners were prevented from rendering services in communities and households due to hard lockdown restrictions	<b>NO</b>
		<b><i>The Committee further recommends that the Accounting Officer must take appropriate action against officials who failed to implement specific information to enable the monitoring of progress made</i></b>	No action has been taken against the officials. The tightening of the lock down restriction meant that the Department could not be able to provide services to communities, families and individuals. In terms of the Plan and	<b>NO</b>

Resolution No.	Subject	Details	Progress to date	Resolved (Yes/No)
		<i>towards achieving targets.</i>	Guidelines for gradual resumption of services based on the Risk adjusted strategy dated 15 May 2020 which was within the first quarter of 2020/21 Financial Year, “only 33% of employees were required to report for duty	
		<b><i>The Committee further recommends that the Accounting Officer must put in place measures to prevent the recurrence of this matter.</i></b>	<p>The department has improved its data management system by ensuring that there is monthly, quarterly, and annual verification of files, data validation, and quality assurance at the local service points prior consolidation and submission to the districts.</p> <p>The relevant officials were subjected to compulsory capacity-building sessions on the management of the performance information and audit matters.</p> <p>The Department has further appointed twenty (20) additional supervisors as part of corrective measures in addressing the insufficient number of supervisors to strengthen supervision and support while capturing of the data and verification of reported outputs</p>	<b>NO</b>

Resolution No.	Subject	Details	Progress to date	Resolved (Yes/No)
20	Annual financial statements	<i>The Committee recommends that the Executing Authority must take appropriate action against both the Accounting Officer and the Chief Financial Officer for submitting financial statements which were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(a) and (b) of the PFMA.</i>	Consequence management has been issued against the Acting Chief Financial Officer and Accounting Officer	NO
21	Transfer of funds	<i>The Committee recommends that the Accounting Officer must take appropriate action against officials who failed to take appropriate measures to ensure that transfers and subsidies to entities are applied for their intended purposes.</i>	The following officials were served with final written warning letters. Ms Shingange MP Ms Mashimbye SM Mr Lesufi MW	NO
22	Asset management	<i>The Committee recommends that the Accounting Officer must take appropriate action against officials who failed to evaluate the value of the assets before disposal.</i>	The responsible official (Mr Maboya LW) has since retired.	NO

## 9 PRIOR MODIFICATIONS TO AUDIT REPORTS

The Department developed an audit action plan with eighteen (18) audit findings and managed to resolve/implement seventeen (17) findings. One (1) finding was not resolved by the end of the financial year. The finding that was not resolved is as follows:

- Prior year fruitless and wasteful expenditure was not investigated properly by investigation unit. (Phasha Selatole)

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Irregular expenditure incurred in the previous year are still under investigations.	2010/11	The investigations of Departmental Irregular expenditure have been completed and the department is currently busy with the recommendations of the investigation outcomes.

## 10 INTERNAL CONTROL UNIT

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

## 11 INTERNAL AUDIT AND AUDIT COMMITTEES

### Key activities and objectives of the internal audit

- Review the reliability and integrity of financial and non-financial performance information.
- Appraise the economy, efficiency and effectiveness of the prescripts and plans, which could have a significant financial or operational impact.
- Review means of recording, safeguarding and disposal of assets and verify the existence of assets.
- Review operations and program outputs to ascertain whether results are consistent with the establishment outcomes and whether operations have been carried out effectively as planned.
- Appraise the economy, efficiency and effectiveness with which resources are employed.
- Perform an objective assessment of the effectiveness of the risk management processes.

### Key objectives of internal audit

In terms of the approved Internal Audit Charter, the purpose of the Shared Internal Audit Services is to help the Department accomplish their strategic goals and objectives through performing systematic and disciplined assurance and consulting services by evaluating and improving the adequacy and effectiveness of the organisations' risk management, internal control and organisational governance.

### Summary of audit work done

#### Assurance and Consulting Audit Services

Q1	Q2	Q3	Q4
Annual Financial Statements Review	Victims Empowerment	Interim Financial Statements	Existence and effectiveness of governance processes



Annual Reports Review	Security Management	Effectiveness of Risk Management Process	POPIA
Assurance on Performance Information			Transfer Payments
ECD Transfer to Education	Youth Development	Assurance on Performance Information	Asset Management
Follow Up	Follow Up	Follow Up	
			Follow Up

#### Fraud Audit

Q1	Q2	Q3	Q4
Follow up	General Fraud Risks Review	N/A	N/A

#### Performance Audit

Q1	Q2	Q3	Q4
N/A	N/A	N/A	Services rendered to children foster care

## **OBJECTIVES OF THE AUDIT COMMITTEE AND KEY ACTIVITIES**

### **1. OBJECTIVES OF THE AUDIT COMMITTEE**

The Audit Committee (AC) activities are outlined in the approved AC Charter which requires that an Annual Schedule must be finalised and approved as a guideline for the AC activities of that particular financial year. The AC has satisfactorily performed its mandate as enshrined in Sections 76 (4) (d) and 77 of the Public Finance Management Act (Act No. 1 of 1999) read in conjunction with Treasury Regulations 3.1 which states that AC must, amongst others, review the following:

- i. the effectiveness of the internal control systems;
- ii. the effectiveness of the internal audit function;
- iii. the risk areas of the institution's operations to be covered in the scope of internal and external audits;
- iv. the adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- v. any accounting and auditing concerns identified as a result of internal and external audits;
- vi. the institution's compliance with legal and regulatory provisions; and
- vii. the activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.

#### **1.1. Impact of COVID-19 on Audit Committee Activities**

COVID-19 posed a serious threat to humanity, however the work of the AC has partly benefitted from the proclamations made by the state that most of the meetings must be held virtually. The Provincial Accountant General's (PAG's) office has realised some savings within the budget of the AC. The savings were realised mainly from accommodation and travelling by the AC members because meetings were held virtually. Given the spirit of good governance, the impact of COVID-19 on the AC is felt on the sense that virtual meetings are not equipped with necessary tools to monitor efficient and effective participation of all the AC stakeholders. This becomes even difficult when one has to evaluate the work of the AC through National Treasury 360 Degree evaluation tool.

However, the PAG's office has been active in ensuring that the AC remains a value adding tool as a critical oversight and governance structure.

There has been immense improvement in terms of connectivity as there were little interruptions resulting from network challenges as compared to the previous financial year. However, Load shedding remains a serious challenge as it briefly affects the network resulting in poor connectivity for a time being. In addition, the new cell phone contract came with serious improvements in terms of data allocation and connectivity to Microsoft Teams which remains free thus not affecting allocated data to officials rendering support to the work of AC.

## **1.2. Audit Committee Meetings**

During the financial year 2022/2023, the AC met five (5) times to perform its roles and responsibilities as stipulated in the AC Charter. All the AC meetings have taken place as planned through 2022/2023 AC Annual Schedule. As resolved the during 2022 AC Annual Strategic Planning Workshop, briefing sessions between Members of Executive Council (MECs) and Cluster Chairpersons were held from 27 – 28 October 2022 and 10 November 2022. The briefing sessions were held virtually and afforded all the AC Chairpersons a slot with each MEC of the Department they serve to discuss all the pertinent issues affecting the Department. However, two (2) CAC meetings were held physically including the very last CAC held 07 December 2022 to bid farewell to the outgoing CAC and Cluster Chairpersons. A plan is in place to hold one of the Cluster AC meetings physically as part of strengthening oversight on the work of Departments by the ACs.

## **1.3. 2023 Audit Committee Annual Strategic Planning Workshop and Orientation Program**

The 2023 AC Annual Strategic Planning Workshop was held face-to-face to discuss numerous issues affecting the work of the AC during 06 – 08 February 2023. The Strategic Planning workshop included an Orientation Program for all AC members to familiarise them to the Limpopo Provincial Government operations including taking them through what is expected from them as the newly appointed AC members in their respective roles.

Departments were requested to prepare Presentations on their mandate to brief the newly appointed AC members. Honourable MEC for Treasury who was also Acting Premier presented to the workshop to outline the Executive Council (EXCO) expectations to the newly appointed AC members and made a commitment that the AC is enjoying unconditional support from EXCO.

In an effort to enhance and integrate risk-based audit approach, the Independent Risk Management Committee Chairpersons were represented by Chairperson of COGHSTA who presented the Overview of the Provincial Risk Management including progress made on the Provincial Risk Profile. The three (3) day workshop has resulted in the members taking a total of eight (8) resolutions coupled with thirty-eight (38) resolutions that were carried forward from the 2022 AC annual strategic planning workshop which makes up a total of forty-five (45) resolutions to be implemented by various AC stakeholders. Slow implementation of the AC resolutions remains a concern. Continued Professional Development (CPD Hours) item was rendered by the Institute of Internal Audit South Africa (IIASA) as required by best practices and the AC Charter that AC members must be provided with CPD hours. All the protocol documents such as the AC Charter, Internal Audit Charter, and Reporting Frameworks were reviewed and adopted during day two (2) of the workshop.

#### **1.4. CAC Chairperson Meetings**

During the current financial year, the CAC Chairperson managed to attend only one (1) EXCO meeting during August 2022. Despite a need for the CAC Chairperson to attend such meetings, they are based on invite from EXCO Secretariat depending on issues being discussed. However, a great emphasis is made that the CAC Chairperson must be invited to attend EXCO at least quarterly to present CAC Reports detailing all the Clusters AC activities. Contradictory to the previous financial year wherein CAC Chairperson managed to attend three (3) HOD Forums, the CAC Chairperson was not able to attend any HOD Forum in the current financial year as no invite was extended to the Chairperson. Invitations to these structures are welcomed and strategic in nature as they provide an opportunity for the CAC Chairperson to interact with Executive Authorities and Accounting Officers of all the Departments. As per best practices and PFMA / Treasury Regulations provisions, the CAC Chairperson was part of the panellist for the appointment of the Chief Audit Executive

(CAE) to head Shared Internal Audit Services (SIAS). Moreover, the CAC Chairperson was involved in the recruitment process of the newly appointed seventeen (17) AC Members.

### **1.5. 360 Degree Audit Committee Evaluation Feedback**

National Treasury 360 Degree Evaluation tool was used to evaluate the work and performance of the AC. The final evaluation yielded an average score of 4.72 (from rating of 1 – 5) when combining the average scores of all the AC Stakeholders. This represented a slight improvement from the previous evaluation period which yielded an average score of 4.71 rating. The AC stakeholders who participated in the performance evaluation of the AC included Provincial Internal Audit, External AC Members and Management (Accounting Officers, Chief Risk Officers, Chief Financial Officers, Head of Internal Controls and GITO). Auditor General South Africa as an AC stakeholder could not participate in the performance review of the AC, mentioning that they do their own evaluation in the management report of each Department to protect and maintain their independence.

In comparison to the average scores of the three (3) stakeholders (AC; SIAS; and Management), it must be noted that SIAS has recorded a highest average score of 4.97 as compared to 4.92 in the last financial year followed by the AC with the second highest average score of 4.61 while Management remained steady at an average score of 4.5. The following were critical issues that Departments felt were not robustly engaged to their satisfaction by the AC members as follows:

- 1.5.1. Understanding of Departmental Environment
- 1.5.2. Oversight of Internal Audit and External Audit matters by AC Members
- 1.5.3. Concerns around reviews of both the findings and recommendations by internal and external auditors to ensure that recommendations are implemented
- 1.5.4. Concerns around reviewing the appropriateness of the external audit fee
- 1.5.5. Concerns around review of a whistleblower hotline and reviewing the log of incoming calls
- 1.5.6. Understanding of Business & Risks of the Departments

It remains priority of the AC members to deal with the above issues as they conclude the current PFMA audit and start a new session. The newly appointed AC members were robustly orientated with the mandate of each Department with most Hon. MECs taking a



lead role and attending the induction and orientation program for their respective Departments. This was done in a breakaway session per Cluster to ensure completeness of the process.

#### 1.6. Audit Committee Membership

Current AC Membership was appointed with effect from 01 January 2023 and will expire on 31 December 2025. A total of 17 AC members were appointed during 2022 AC membership recruitment process. Total number of female AC members are seven (7) while a total number of male AC members are ten (10) represented as: 58.8% males and 41.2% females. This is a decline in the appointment of female candidates as the previous year the number stood at eight (8) and it has currently decreased to seven (7). There is a strong need to improve female recruitment into the Limpopo AC membership as 41% is very low. Due to challenges when engaging into doing business with the state, most of the AC members no longer opt to be appointed through the PERSAL and rather use BAS system to receive their payments.

#### 1.7. The following table stipulate the nature and activities of each AC meeting/event held:

NO.	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
1.	May 2022	Review of Fourth Quarterly Performance Information and Draft Annual Report (Including Draft Annual Financial Statements) before submission to the Auditor General	a. Annual Performance Report, b. Draft Annual Financial Statements, c. Fourth Quarterly Risk Management Report, d. Fourth Quarterly Internal Audit Progress Report.
2.	June 2022	CAC Meeting to consider Clusters AC Reports	e. Clusters AC Reports reporting on matters pertaining to Draft Annual Performance Report including Draft AFS
3.	July 2022	Review of Draft Audit and Management Reports	f. Draft Management Reports, g. Draft External Audit Reports.
4.	August 2022	CAC Meeting to consider Clusters AC Reports	h. Clusters AC Reports on matters pertaining to External Audit Reports.
5.	August /	Review of First Quarter Performance	a. First Quarter Accounting Officer's Report to the AC (Financial &



NO.	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
	September 2022	Information including Financial & Non-Financial Reports	Non-Financial), b. First Quarter Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. First Quarter Internal Audit Report
6.	September 2022	CAC Meeting to consider Clusters AC Reports	f. Clusters AC Reporting on matters concerning to First Quarter Reports
7.	October / November 2022	AC Briefing Sessions between AC Chairpersons and Hon. MECs to discuss AC Matters.	
8.	November 2022	Review of Second Quarter Performance Reports (Financial and Non-Financial)	a. Second Quarter Accounting Officer's Report to the AC (Financial & Non-Financial), b. Second Quarter Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. Second Quarter Internal Audit Report.
9.	December 2022	CAC Meeting to consider Clusters AC Reports	f. Clusters AC Reports on matters pertaining to Second Quarter Audit Committee Reports as per paragraph 7 above.
10.	February 2023	AC Annual Strategic Planning Workshop	a. Approval of the Audit Committee Charter, b. Approval of the Internal Audit Charter, c. Review of the Accounting Officer's Reporting Framework to the AC, d. AC Improvement Plan by Clusters AC Chairpersons e. Reflection on the Status of the Previous Year AC Resolutions, f. 360 Degree AC Evaluation Feedback.
11.	March 2023	Third Quarterly Departmental Reports and approval of the Three-Year	g. All information under No. 5, h. Three Year Internal Audit Plans

NO.	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
		Internal Audit Plan, Annual Internal Audit Plan and Auditor General Audit Coverage Strategy	and Annual Internal Audit Plans for 2022/2023.  i. Auditor General Audit Coverage Strategies
12.	March 2023	CAC Meeting to consider Clusters AC Reports	j. Clusters AC Reports on matters pertaining to Third Quarter AC Reports as per paragraph 11 above.

## 2. OBJECTIVES OF THE AUDIT COMMITTEE

The Strategic Objectives of the AC as stipulated in its approved written Terms of Reference (AC Charter) are to ensure:

- a. the availability of a well-resourced, functional and sustained internal audit function;
- b. sound relationship with all assurance providers, oversight structures and other stakeholders;
- c. effective and efficient Internal and External Audit processes;
- d. promotion of sound functional interaction between the internal audit and other assurance providers;
- e. that there is adequate and effective corporate governance, encompassing fraud and risk management, information technology, internal control, financial management and reporting systems;
- f. Accounting Officers are fully supported in fulfilling their responsibilities in terms of the PFMA;
- g. accountability in terms of financial management and performance information for effective service delivery; and
- h. Compliance with relevant laws and regulations.

The table below discloses relevant information on the audit committee members:

### CLUSTER 3 (01 April 2022 – 31 March 2023)

#### PREVIOUS CLUSTER 3 AUDIT COMMITTEE MEMBERS.

Name	Qualifications	Internal or external	If internal, position in the Department	Date Appointed	Date Resigned	No. Meetings Attended (Health)	No. of Meetings Attended (Social Development)
S.J MASITE	<ul style="list-style-type: none"> <li>• Certified Internal Auditor (CIA)</li> <li>• Certified Fraud Examiner (CFE)</li> <li>• Chartered Internal Auditor (CMIIA)</li> <li>• B. Com</li> <li>• Qualification in Internal Auditor Leadership (QIAL)</li> <li>• Professional Govt. Internal Auditor and</li> <li>• Chartered Govt. Internal Auditor</li> </ul>	External	N/A	01 February 2020  Re appointed 01 February 2023.	N/A	6	4
M.K SEBELO	<ul style="list-style-type: none"> <li>• B TECH: Internal Auditing</li> <li>• ND: Internal Auditing</li> </ul>	External	N/A	01 February 2017	N/A	6	4

	• Cert. in Advance Project Management				Re-appointed 01 February 2020			
M.P MOILOA	<ul style="list-style-type: none"> <li>Advanced Post Graduate Diploma Financial Planning</li> <li>Bachelor of Commerce</li> <li>Diploma in General Nursing and Midwifery</li> <li>Certificate in Sales Management (2015) - UCT</li> </ul>	External	N/A		01 February 2020	N/A	6	4
T.C MODIPANE	<ul style="list-style-type: none"> <li>CA (SA)</li> <li>B Com Honours (CTA)</li> <li>B Com (Accounting)</li> <li>Higher Diploma in Auditing</li> <li>Certificate in Business Development Systems</li> <li>SAICA GRAP Certificate</li> </ul>	External	N/A		01 February 2020	N/A	6	4
CURRENT CLUSTER 3 AUDIT COMMITTEE MEMBERS								

Name	Qualifications	Internal or external	If internal, position in the Department	Date Appointed	Date Resigned	No. of Meetings Attended (Health )	No. of Meetings Attended (Social Development. )
KV MAJA	<ul style="list-style-type: none"> <li>Masters of Business leadership (MBL)</li> <li>Hons BCOMPT</li> <li>B.Com (Accounting)</li> <li>Certified Internal Auditor (CIA)</li> <li>IIA Accredited Quality Assurance Assessor.</li> </ul>	External	N/A	01 February 2023	To Date	1	1
SP MZIZI	<ul style="list-style-type: none"> <li>ACIS</li> <li>Post graduate diploma in corporate law</li> <li>CIMA</li> <li>B Com: Honours</li> <li>B Tech</li> <li>Higher diploma in education</li> </ul>	External	N/A	01 February 2020 Re-appointed 01 February 2023	To Date	1	1
KG MBONAMBI	<ul style="list-style-type: none"> <li>B Com Accounting</li> <li>B Com( Hons)</li> </ul>	External	N/A	01 February 2023	To Date	1	1
NJ MPJANE	<ul style="list-style-type: none"> <li>CA (SA)</li> <li>B Com (Accounting Science.</li> <li>B Com (Accounting Science (Hons)</li> <li>IRBA Certificate</li> </ul>	External	N/A	01 February 2020 Re-appointed 01 February 2023	To Date	1	1



# LIMPOPO

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

## PROVINCIAL TREASURY

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

We are pleased to present our report for the Special Audit Committee meeting held on 28 July 2023.

#### 1 AUDIT COMMITTEE STRUCTURE

Limpopo has an Audit Committee, which is two-tiered consisting of four Cluster Audit Committees, dealing with specific departments, and a shared Central Audit Committee. Limpopo Department of Social Development falls within the ambit of Cluster 3.

#### 2 AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

#### 3 AGENDA ITEMS CONDEPARTMENT SIDERED

##### 3.1 Draft Management and Audit report

#### OVERALL AUDIT OPINION

The overall audit opinion of the Department is unqualified with findings. This is the same as the previous year's audit outcome.

Audit Results per outcome area:



Outcome Area	Movement	2022-23	2021-22	2020-21
<b>Financial Statements</b>	Unchanged	Unqualified	Unqualified	Unqualified
<b>Annual Performance Report</b>				
• Programme 02- Social Welfare Services	N/A	Qualified	Not audited	Not audited
• Programme 03- Children and Families	Unchanged	Qualified	Qualified	Qualified
<b>Compliance with Legislation</b>				
• Procurement and contract management	Improvement	Unqualified	Material Findings	Material Findings
• Strategic Planning and performance management	Unchanged	Material Findings	Material Findings	Material Findings
• Annual Financial statements, performance and annual reports	Unchanged	Material Findings	Material Findings	Material Findings
• Expenditure Management	Unchanged	Unqualified	Unqualified	Unqualified
• Asset Management	Unchanged	Unqualified	Unqualified	Material Findings
• Transfer of funds	Unchanged	Unqualified	Unqualified	Material Findings
• Consequence Management	Unchanged	Unqualified	Unqualified	Material Findings
• Utilisation of conditional grants	Unchanged	Unqualified	Unqualified	Unqualified

The Department's audit outcome on the financial statements remained unchanged from the prior year on an unqualified audit opinion with findings furthermore the audit outcome on the annual performance report also remains unchanged.

Quality review of both the annual financial statements and annual performance report remains a concern as some of the misstatements identified were as a result of insufficient reviews performed.

### 3.1.1 Material misstatements identified on the financial statements during the audit and they were corrected.

Accounting Standard/legislation	Description	Value
Related Party Transaction	The Department disclosed an amount of R170 887 000 on shared service expenditure in accordance with the 80/20 calculation methodology for shared services expenditure. LPT approved a request to discontinue the arrangement for claiming of shared services between the Department of Health and Department of Social Development. AGSA mentioned that they cannot determine the accuracy of the disclosed amount	R170 887 000
Irregular Expenditure	The prior period error was incorrectly disclosed, as no errors took place in the prior period	R32 419 000
Fruitless and Wasteful Expenditure	The prior period error was incorrectly disclosed, as no errors took place in the prior period	R5 877 000

3.1.2 Material misstatements identified on the annual report during the audit and they were not corrected.

Programme	Description	2021-22	2020-21
02- Social Welfare Services	<p><b>Indicator:</b> No of older accessing community-based care and support services</p> <p>An achievement of 11480 was reported against a target of 9250. Sufficient evidence was not provided</p>	Indicator not audited in the prior year	Indicator not audited in the prior year
03-Children and Families	<p><b>Indicator:</b>No of family members participating in family preservation services.</p> <p>An achievement of 35184 was reported against a target of 26980. Sufficient evidence was not provided.</p>	Uncorrected	Uncorrected

	<b>Indicator:</b> No of children placed in foster care  An achievement of 1589 was reported against a target of 1290. Sufficient evidence was not provided.	No prior year mistatement	No prior year misstatement
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### 3.1.3 Matters of emphasis

- Material loss of R21 190 000 were incurred as a result of an impairment of irrecoverable debtors.

## 4 CONCLUSION

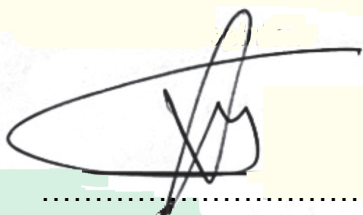
The Department's audit outcome on the financial statements remained unchanged from the prior year on an unqualified audit opinion with findings furthermore the audit outcome on the annual performance report also remains unchanged. material misstatements on the annual financial statements were corrected while material misstatements on the annual report were not corrected.

## 5 RECOMMENDATIONS

- Quality Review on both annual financial statements and annual report needs to be enhanced throughout the entire year.
- Management of performance information should be intensified

## 6 MATTERS FOR THE ATTENTION OF THE MEC

- Quality Review on both annual financial statements and annual report needs to be enhanced throughout the entire year.
- Management of performance information should be intensified



Mr Kgoale Maja  
Chairperson of the Audit Committee  
Department of Social Development  
08 August 2023

## 14 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBEE requirements of the BBEE Act of 2013 and as determined by the Department of Trade and Industry.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (Include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not applicable
Developing and implementing a preferential procurement policy?	Yes	Applied the PPPFA and its 2022 Regulation
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable
Developing criteria for entering partnerships with the private sector?	No	Not applicable
Determining criteria for the awarding of incentives, grants, and investment schemes in support of Broad Based Black Economic Empowerment?	No	Not applicable

## PART D: HUMAN RESOURCE MANAGEMENT

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## 1. INTRODUCTION

The human resources management was guided by the Strategic Plan and MTEF Strategic Human Resources in order to support the Head of Department as an Accounting Officer to achieve the set strategic objectives of the Department. The department has fully implemented the recruitment plan as per approved by the Provincial Treasury.

## 2. OVERVIEW OF HUMAN RESOURCES

The MTEF HR Plan has been developed to ensure that the workforce supply matches current and future demands. In addition, the Departmental MTEF HR Plan sets out the issues, evidence and strategies required to deliver a sustainable workforce capable of continuing to deliver high quality social services to the people of Limpopo. The following were Human Resource gaps identified during the development of the MTEF HR Plan:

- Filling of funded vacant posts. The vacancy rate for the entire Department remained at 43%.
- Shortage of Social Services Professionals.
- Shortage of required skills and competencies.
- Inaccurate Human Resource Information data.
- Inadequate budget

Names of the Program	Target Groups	No to be trained
First aid level 1 and 2	OHS committee	100
Trauma Counselling	SWs and CYCs	25
Sign Language	Frontline Staff (SWs, CDPs	50
Victim empowerment and support	SW's and CYC's	25
Compulsory Induction Programme	Chief Directors	2
Management and Supervision of SW (CDP)	SW's supervisors	90
Report writing SW's (CDP)	SW' s Supervisors	90
Interview skill for SW's (CDP)	Social Workers & SAW's	100



Names of the Program	Target Groups	No to be trained
Empower Techniques and counselling CDP)	Social Workers & SAW's	100
Social Workers intervention planning (CDP)	Social Workers & SAW's	100
HIV Counselling	Professional nurses	33
Substance addiction and substance counselling	Professional Nurse	33
Infection Prevention & control	Professional Nurse	33
Breaking barriers to entry into public service	TVET learners	31
Compulsory Induction programme	SW's, CYC's and Support Staff	135

### Future Human Resource Plans/Goals

- Review and alignment of organisational structure to new priorities and budget structures
- Review and alignment of organisational structure to new priorities and budget structures
- To retain employees to increase stability.
- To provide a competent and productive workforce to ensure effective service delivery.
- Employee Health and Wellness (EHW).
- PERSAL clean-up.
- Filling of funded vacant posts within a prescribed period.
- Gradual employment of unemployment social work graduates.
- Continuous updating and cleaning of PERSAL System.
- Continued implementation of Internship and Learnership programme.

### Employee Performance Management

During the financial year 2022/23 the Department implemented Grade Progression and Accelerated Grade Progression to employees on Occupational Specific Dispensation (OSD) and Non-OSD amounting to R15 M and 1420 employees were paid pay progression to the amount R 5.4M.

### Employee Health and Wellness Programmes

- The department concluded the appointment of a service provider to provide clinical support in the form of psychosocial support to all employees of the department, especially the Social Service Professionals who continuously encounter traumatic situations in line of duties.

### **Highlights achievements**

- The Department developed Recruitment for 2022/23 financial year and filled all the positions within legislative timeframe. Majority of positions were filled through promotion of internal staff. This has boosted the staff morale and will go a long way in ensuring that service delivery is improved.
- Human Resource Workplace Skills Plan was implemented, and the following programmes were implemented:

### **CHALLENGES FACED BY THE DEPARTMENT**

- **Budgetary constraints.**

Budgetary constraints had a negative influence for the Department to achieve its objectives as many posts remain vacant for a long period. Inadequate budget for implementation of skills programs as per workplace skills plan

- **Introduction of new legislations.**

The introduction of new legislations such as Children's Act requires the increase in the total number of Social Services Professionals who are readily available in the marketplace, but inadequate budget is hampering the increase in the number of social service professionals.

- **Staffing mix and provision of care**

Despite the introduction of the retention strategy (OSD), it is still difficult to attract Social Services Professionals that are required. Furthermore, other professionals are ascending to management positions, and this has negative impact in recruiting and retaining staff. The budget constraints to place social work graduates is still a great concern.

The Department is not able to absorb all graduates who completed their studies starting from 2013 academic year due to budgetary constraints. Funding for absorption of the graduates is not aligned with the number of graduates per province hence the province will not be able to appoint additional graduates in the coming financial years.

- **Increased moral decay.**

The increase in social ills and moral decay calls for social services professionals to assess and analyse beneficiary's needs before the provision of social interventions.

- **Information Technology**

The information technology remains a huge challenge in the Department, particularly Human Resource Information System (HRIS). HR Plan requires updated HR statistics to determine the current human resources in the Department and without HRIS accurate statistics will remain a problem. There is no connectivity in most of the Sub-District's offices.

- **Office Accommodation**

The office accommodation remains a great challenge in the Department, particularly at District and Sub-Districts level. The Department has finalised building of the office accommodation at Mopani District: Gawula and Vhembe District: Saselemanane respectively.

- **Tools of trade**

The tools of trade in the Department remains a great concern in particular transport (vehicle), computers and office furniture.

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS

#### 3.1 Personnel related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- Amount spent on personnel.
- Amount spent on salaries, overtime, homeowner's allowances, and medical aid.

Table 3.1.1 *Personnel expenditure by programme for the period 1 April 2022 to 31 March 2023*

4. Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	353 733.00	208 162.00	0.00	0.00	58.80	394.00
Social Welfare Services	0.00	0.00	0.00	0.00	0.00	0.00
Children and Families	626 354.00	486 305.00	0.00	0.00	77.60	439.00
Restorative Services	230 899.00	165 975.00	0.00	0.00	71.90	263.00
Development and Research	201 286.00	143 866.00	0.00	0.00	71.50	498.00
<b>Total as on Financial Systems (BAS)</b>	<b>464 121.00</b>	<b>311 125.00</b>	<b>0.00</b>	<b>0.00</b>	<b>67.00</b>	<b>485.00</b>

Table 3.1.2 Personnel costs by salary band for the period 1 April 2022 to 31 March 2023

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
01 Lower skilled (Levels 1-2)	44 649.00	3.30	201	222 134.00
02 Skilled (Levels 3-5)	156 505.00	11.50	524	298 674.00
03 Highly skilled production (Levels 6-8)	725 376.00	53.50	1,552	467 381.00
04 Highly skilled supervision (Levels 9-12)	360 952.00	26.60	532	678 481.00
05 Senior management (Levels >= 13)	32 263.00	2.40	23	1 402 739.00
10 Contract (Levels 1-2)	54.00	0.00	1	54 000.00
11 Contract (Levels 3-5)	466.00	0.00	3	155 333.00
12 Contract (Levels 6-8)	184.00	0.00	1	184 000.00
13 Contract (Levels 9-12)	1 930.00	0.10	1	1 930 000.00
14 Contract (Levels >= 13)	905.00	0.10	-	0.00
18 Contract Other	1 921.00	0.10	49	39 204.00
19 Periodical Remuneration	175.00	0.00	1	175 000.00
20 Abnormal Appointment	8 752.00	0.60	309	28 324.00
<b>TOTAL</b>	<b>1 334 132.00</b>	<b>98.30</b>	<b>3,197</b>	<b>417 307.00</b>

*Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2022 to 31 March 2023*

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
ADMINISTRATION	167 332.00	77.00	251.00	0.10	8 580.00	3.90	15 773.00	7.30
SOCIAL WELFARE SERVICES	383 039.00	77.70	105.00	0.00	20 113.00	4.10	39 399.00	8.00
CHILDREN AND FAMILIES	134 429.00	73.90	3.00	0.00	6 212.00	3.40	9 572.00	5.30
RESTORATIVE SERVICES	114 873.00	77.90	63.00	0.00	5 492.00	3.70	10 185.00	6.90
DEVELOPMENT AND SUPPORT SERVICES	248 557.00	78.40	90.00	0.00	11 485.00	3.60	22 243.00	7.00
<b>TOTAL</b>	<b>1 048 231.00</b>	<b>77.30</b>	<b>512.00</b>	<b>0.00</b>	<b>51 882.00</b>	<b>3.80</b>	<b>97 173.00</b>	<b>7.20</b>



Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2022 to 31 March 2023

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
01 Lower skilled (Levels 1-2)	29 944.00	67.10	6.00	0.00	3 733.00	8.40	7 384.00	16.50
02 Skilled (Levels 3-5)	113 334.00	72.30	321.00	0.20	9 461.00	6.00	20 046.00	12.80
03 Highly skilled production (Levels 6-8)	577 036.00	78.60	119.00	0.00	28 466.00	3.90	49 730.00	6.80
04 Highly skilled supervision (Levels 9-12)	294 968.00	79.00	65.00	0.00	9 189.00	2.50	19 710.00	5.30
05 Senior management (Levels >= 13)	27 077.00	80.40	0.00	0.00	1 007.00	3.00	303.00	0.90
11 Contract (Levels 3-5)	54.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
12 Contract (Levels 6-8)	451.00	96.80	0.00	0.00	0.00	0.00	0.00	0.00

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
13 Contract (Levels 9-12)	176.00	95.70	0.00	0.00	0.00	0.00	0.00	0.00
14 Contract (Levels >= 13)	1 701.00	78.90	0.00	0.00	9.00	0.40	0.00	0.00
18 Contract Other	790.00	82.50	0.00	0.00	16.00	1.70	0.00	0.00
19 Periodical Remuneration	1 919.00	99.20	1.00	0.10	0.00	0.00	0.00	0.00
20 Abnormal Appointment	175.00	66.50	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	607.00	6.90	0.00	0.00	0.00	0.00	0.00	0.00
	<b>1 048 231.00</b>	<b>77.30</b>	<b>512.00</b>	<b>0.00</b>	<b>51 882.00</b>	<b>3.80</b>	<b>97 173.00</b>	<b>7.20</b>

#### 4.1 Employment and Vacancies

The tables in this section summarise the position with regard to 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.

This information is presented in terms of three key variables:

- programme
- salary band
- Critical occupations (see definition in notes below).

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

*Table 3.2.1 Employment and vacancies by programme as on 31 March 2023*

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration, Permanent	550	527	4	6
Social Welfare Services, Permanent	1,130	1,107	2	-
Children And Families, Permanent	342	325	5	-
Restorative Services, Permanent	301	289	4	-
Development And Support Services, Permanent	660	639	3	-
<b>TOTAL</b>	<b>2,983</b>	<b>2,887</b>	<b>3</b>	<b>6</b>

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2023

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
01 Lower Skilled (Levels 1-2), Permanent	211	201	5	-
02 Skilled (Levels 3-5), Permanent	537	524	2	-
03 Highly Skilled Production (Levels 6-8), Permanent	1,586	1,552	2	-
04 Highly Skilled Supervision (Levels 9-12), Permanent	565	532	6	-
05 Senior Management (Levels >= 13), Permanent	29	23	21	-
09 Other, Permanent	49	49	-	6
11 Contract (Levels 3-5), Permanent	1	1	-	-
12 Contract (Levels 6-8), Permanent	3	3	-	-
13 Contract (Levels 9-12), Permanent	1	1	-	-
14 Contract (Levels >= 13), Permanent	1	1	-	-
<b>TOTAL</b>	<b>2,983</b>	<b>2,887</b>	<b>3</b>	<b>6</b>

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATIVE RELATED, Permanent	115	106	8	-
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC., Permanent	8	8	-	-
ARTISAN PROJECT AND RELATED SUPERINTENDENTS, Permanent	3	3	-	-
AUXILIARY AND RELATED WORKERS, Permanent	81	78	4	6
BUILDING AND OTHER PROPERTY CARETAKERS, Permanent	32	32	-	-
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent	132	127	4	-
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS), Permanent	1	1	-	-
COMMUNICATION AND INFORMATION RELATED, Permanent	5	5	-	-
COMMUNITY DEVELOPMENT WORKERS, Permanent	322	305	5	-

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
FINANCE AND ECONOMICS RELATED, Permanent	15	9	40	-
FINANCIAL AND RELATED PROFESSIONALS, Permanent	27	27	-	-
FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent	45	45	-	-
FOOD SERVICES AIDERS AND WAITERS, Permanent	15	12	20	-
FOOD SERVICES WORKERS, Permanent	2	2	-	-
FORESTRY LABOURERS, Permanent	2	2	-	-
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER, Permanent	1	1	-	-
HEALTH SCIENCES RELATED, Permanent	1	1	-	-
HOUSEHOLD AND LAUNDRY WORKERS, Permanent	12	12	-	-
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED, Permanent	9	9	-	-



Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF, Permanent	24	23	4	-
HUMAN RESOURCES CLERKS, Permanent	13	13	-	-
HUMAN RESOURCES RELATED, Permanent	16	13	19	-
LEGAL RELATED, Permanent	1	1	-	-
LIBRARY MAIL AND RELATED CLERKS, Permanent	32	32	-	-
LIGHT VEHICLE DRIVERS, Permanent	1	1	-	-
LOGISTICAL SUPPORT PERSONNEL, Permanent	2	2	-	-
MATERIAL-RECORDING AND TRANSPORT CLERKS, Permanent	4	4	-	-
MESSENGERS PORTERS AND DELIVERERS, Permanent	23	23	-	-
NURSING ASSISTANTS, Permanent	10	10	-	-
OCCUPATIONAL THERAPY, Permanent	3	1	67	-
OTHER ADMINISTRAT	52	51	2	-

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
& RELATED CLERKS AND ORGANISERS, Permanent				
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS, Permanent	4	4	-	-
OTHER OCCUPATIONS, Permanent	2	2	-	-
PROBATION WORKERS, Permanent	18	18	-	-
PROFESSIONAL NURSE, Permanent	13	13	-	-
PSYCHOLOGISTS AND VOCATIONAL COUNSELLORS, Permanent	2	2	-	-
RISK MANAGEMENT AND SECURITY SERVICES, Permanent	3	3	-	-
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent	62	62	-	-
SECURITY GUARDS, Permanent	1	1	-	-
SENIOR MANAGERS, Permanent	5	5	-	-
SOCIAL SCIENCES RELATED, Permanent	2	2	-	-
SOCIAL SCIENCES SUPPLEMENTARY WORKERS, Permanent	159	159	-	-

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
SOCIAL WORK AND RELATED PROFESSIONALS, Permanent	1,532	1,489	3	-
SPEECH THERAPY AND AUDIOLOGY, Permanent	1	1	-	-
STAFF NURSES AND PUPIL NURSES, Permanent	10	10	-	-
YOUTH WORKERS, Permanent	160	157	2	-
<b>TOTAL</b>	<b>2,983</b>	<b>2,887</b>	<b>3</b>	<b>6</b>

### 3.3 Filling of SMS Posts

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

*Table 3.3.1 SMS post information as on 31 March 2023*

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15					
Salary Level 14	3	2	67	1	33
Salary Level 13	28	19	68	9	32
<b>Total</b>	<b>32</b>	<b>22</b>	<b>69</b>	<b>10</b>	<b>31</b>

Table 3.3.2 SMS post information as on 30 September 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15					
Salary Level 14	3	2	67	1	33
Salary Level 13	23	21	91	2	9
<b>Total</b>	<b>27</b>	<b>24</b>	<b>89</b>	<b>3</b>	<b>11</b>

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2022 to 31 March 2023

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	1	0	1
Salary Level 13	1	1	0
<b>Total</b>	<b>2</b>	<b>1</b>	<b>1</b>

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2022 to 31 March 2023

Reasons for vacancies not advertised within six months
The affected post is the position of the CFO, the first recommended candidate declined the offer. The post was readvertised,
The other post was a Director: Communications was only funded in September 2022 and was filled through transfer .

Reasons for vacancies not filled within twelve months
After the second advertisement of the CFO position, the panel met for selection process and they could not find a suitable candidate. The post was readvertised again and finally, the process was finalised in May 2023/24.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2021 to 31 March 2022

Reasons for vacancies not advertised within six months
<b>The post of Director: Communication was only funded in September 2022 and was occupied through a transfer</b>

Reasons for vacancies not filled within six months
After the second advertisement of the CFO position, the panel met for selection process and they could not find a suitable candidate. The post was readvertised again and finally, the process was finalised in May 2023/24.

## Job Evaluation

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

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2022 to 31 March 2023

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
01 Lower Skilled (Levels 1-2)	211	-	-	-	-	-	-
02 Skilled (Levels 3-5)	537	-	-	-	-	-	-
03 Highly Skilled Production (Levels 6-8)	1,586	-	-	-	-	-	-
04 Highly Skilled Supervision (Levels 9-12)	565	-	-	-	-	-	-
05 Senior Management Service Band A	24	-	-	-	-	-	-
06 Senior Management Service Band B	3	-	-	-	-	-	-
07 Senior Management Service Band C	1	-	-	-	-	-	-
08 Senior Management Service Band D	1	-	-	-	-	-	-
09 Other	49	-	-	-	-	-	-



Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
10 Contract (Levels 1-2)	1	-	-	-	-	-	-
11 Contract (Levels 3-5)	3	-	-	-	-	-	-
12 Contract (Levels 6-8)	1	-	-	-	-	-	-
13 Contract (Levels 9-12)	1	-	-	-	-	-	-
<b>TOTAL</b>	<b>2,983</b>	-	-	-	-	-	-

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

*Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2022 to 31 March 2023*

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-

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

*Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2022 to 31 March 2023*

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None				

Total number of employees whose salaries exceeded the level determined by job evaluation	0
Percentage of total employed	0

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

*Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2022 to 31 March 2023*

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	0	0	0	0	0
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Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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## 4.2 Employment Changes

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

*Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2022 to 31 March 2023*

Salary band	Number of employees at beginning of period- 1 April 2021	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
01 Lower Skilled (Levels 1-2) Permanent	206	-	4	1.90
02 Skilled (Levels 3-5) Permanent	532	5	11	2.10
03 Highly Skilled Production (Levels 6-8) Permanent	1,586	4	27	1.70
04 Highly Skilled Supervision (Levels 9-12) Permanent	527	1	12	2.30

Salary band	Number of employees at beginning of period- 1 April 2021	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
05 Senior Management Service Band A Permanent	22	1	3	13.60
06 Senior Management Service Band B Permanent	1	-	-	0.00
07 Senior Management Service Band C Permanent	1	-	-	0.00
08 Senior Management Service Band D Permanent	1	-	1	100.00
09 Other Permanent	28	49	28	100.00
10 Contract (Levels 1-2) Permanent	-	1	-	0.00
11 Contract (Levels 3-5) Permanent	1	5	2	200.00
12 Contract (Levels 6-8) Permanent	1	-	1	100.00
13 Contract (Levels 9-12) Permanent	2	4	5	250.00
14 Contract Band A Permanent	1	1	2	200.00
<b>TOTAL</b>	<b>2,909</b>	<b>71</b>	<b>96</b>	<b>3.30</b>

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2022 to 31 March 2023

Critical occupation	Number of employees at beginning of period- April 2020	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
ADMINISTRATIVE RELATED Permanent	98	8	8	8.20
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC. Permanent	8	-	-	0.00
ARTISAN PROJECT AND RELATED SUPERINTENDENTS Permanent	2	1	-	0.00
AUXILIARY AND RELATED WORKERS Permanent	61	49	32	52.50
BUILDING AND OTHER PROPERTY CARETAKERS Permanent	34	-	1	2.90
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent	132	3	8	6.10
CLIENT INFORM CLERKS(SWITCHB RECEPT INFORM CLERKS) Permanent	1	-	-	0.00
COMMUNICATION AND INFORMATION RELATED Permanent	5	-	-	0.00
COMMUNITY DEVELOPMENT WORKERS Permanent	313	-	8	2.60
FINANCE AND ECONOMICS RELATED Permanent	9	1	1	11.10
FINANCIAL AND RELATED PROFESSIONALS Permanent	28	-	1	3.60
FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent	45	-	-	0.00
FOOD SERVICES AIDS AND WAITERS Permanent	12	-	-	0.00
FOOD SERVICES WORKERS Permanent	2	-	-	0.00
FORESTRY LABOURERS Permanent	2	-	-	0.00
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER Permanent	1	-	-	0.00

Critical occupation	Number of employees at beginning of period-April 2020	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
HEALTH SCIENCES RELATED Permanent	1	-	-	0.00
HOUSEHOLD AND LAUNDRY WORKERS Permanent	13	-	1	7.70
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED Permanent	9	-	-	0.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF Permanent	24	-	2	8.30
HUMAN RESOURCES CLERKS Permanent	13	-	-	0.00
HUMAN RESOURCES RELATED Permanent	14	-	2	14.30
LEGAL RELATED Permanent	1	-	-	0.00
LIBRARY MAIL AND RELATED CLERKS Permanent	31	1	-	0.00
LIGHT VEHICLE DRIVERS Permanent	1	-	-	0.00
LOGISTICAL SUPPORT PERSONNEL Permanent	2	-	-	0.00
MATERIAL-RECORDING AND TRANSPORT CLERKS Permanent	4	-	-	0.00
MESSENGERS PORTERS AND DELIVERERS Permanent	21	1	-	0.00
NURSING ASSISTANTS Permanent	10	-	-	0.00
OCCUPATIONAL THERAPY Permanent	3	-	2	66.70
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS Permanent	53	-	2	3.80
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS Permanent	4	-	-	0.00

Critical occupation	Number of employees at beginning of period- April 2020	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
OTHER OCCUPATIONS Permanent	2	-	1	50.00
PROBATION WORKERS Permanent	18	-	-	0.00
PROFESSIONAL NURSE Permanent	12	1	-	0.00
PSYCHOLOGISTS AND VOCATIONAL COUNSELLORS Permanent	2	-	-	0.00
RISK MANAGEMENT AND SECURITY SERVICES Permanent	3	-	-	0.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent	63	2	2	3.20
SECURITY GUARDS Permanent	1	-	-	0.00
SENIOR MANAGERS Permanent	7	-	1	14.30
SOCIAL SCIENCES RELATED Permanent	2	-	-	0.00
SOCIAL SCIENCES SUPPLEMENTARY WORKERS Permanent	162	-	3	1.90
SOCIAL WORK AND RELATED PROFESSIONALS Permanent	1,516	-	21	1.40
SPEECH THERAPY AND AUDIOLOGY Permanent	1	-	-	0.00
STAFF NURSES AND PUPIL NURSES Permanent	10	-	-	0.00
YOUTH WORKERS Permanent	153	4	-	0.00
<b>TOTAL</b>	<b>2,909</b>	<b>71</b>	<b>96</b>	<b>3.30</b>



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

*Table 3.5.3 Reasons why staff left the Department for the period 1 April 2022 to 31 March 2023*

Termination Type	Number	% of Total Resignations
01 Death, Permanent	6	6.30
02 Resignation, Permanent	26	27.10
03 Expiry of contract, Permanent	38	39.60
07 Dismissal-misconduct, Permanent	1	1.00
09 Retirement, Permanent	3	3.10
Transfer out	22	22.90
<b>TOTAL</b>	<b>96</b>	<b>100.00</b>

*Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 to 31 March 2023*

Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative Related	98	6	6.10	55	56.10
All Artisans in The Building Metal Machinery Etc.	8	-	0.00	4	50.00
Artisan Project and Related Superintendents	2	-	0.00	1	50.00
Auxiliary And Related Workers	61	-	0.00	4	6.60
Building And Other Property Caretakers	34	-	0.00	2	5.90
Cleaners In Offices Workshops Hospitals Etc.	132	-	0.00	41	31.10
Client Inform Clerks (Switchboard Receptionist	1	-	0.00	1	100.00

Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Information Clerks)					
Communication And Information Related	5	-	0.00	4	80.00
Community Development Workers	313	5	1.60	156	49.80
Finance And Economics Related	9	-	0.00	5	55.60
Financial And Related Professionals	28	-	0.00	19	67.90
Financial Clerks and Credit Controllers	45	-	0.00	37	82.20
Food Services Aids and Waiters	12	-	0.00	5	41.70
Food Services Workers	2	-	0.00	1	50.00
Forestry Labourers	2	-	0.00	-	0.00
Head Of Department/Chief Executive Officer	1	-	0.00	1	100.00
Health Sciences Related	1	-	0.00	-	0.00
Household And Laundry Workers	13	-	0.00	3	23.10
Household Food and Laundry Services Related	9	-	0.00	8	88.90
Human Resources & Organisational Development & Relate Professions	24	-	0.00	15	62.50
Human Resources	13	-	0.00	9	69.20

Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Clerks					
Human Resources Related	14	-	0.00	11	78.60
Legal Related	1	-	0.00	1	100.00
Library Mail and Related Clerks	31	-	0.00	23	74.20
Light Vehicle Drivers	1	-	0.00	1	100.00
Logistical Support Personnel	2	-	0.00	-	0.00
Material-Recording and Transport Clerks	4	-	0.00	2	50.00
Messengers Porters And Deliverers	21	1	4.80	13	61.90
Nursing Assistants	10	-	0.00	2	20.00
Occupational Therapy	3	-	0.00	-	0.00
Other Administration & Related Clerks and Organisers	53	-	0.00	37	69.80
Other Administrative Policy and Related Officers	4	-	0.00	1	25.00
Other Occupations	2	-	0.00	1	50.00
Probation Workers	18	-	0.00	12	66.70
Professional Nurse	12	-	0.00	1	8.30
Psychologists And Vocational Counsellors	2	-	0.00	-	0.00
Risk Management and Security Services	3	-	0.00	3	100.00

Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Secretaries & Other Keyboard Operating Clerks	63	-	0.00	32	50.80
Security Guards	1	-	0.00	1	100.00
Senior Managers	7	1	14.30	3	42.90
Social Sciences Related	2	-	0.00	-	0.00
Social Sciences Supplementary Workers	162	-	0.00	74	45.70
Social Work and Related Professionals	1,516	16	1.10	818	54.00
Speech Therapy and Audiology	1	-	0.00	-	0.00
Staff Nurses and Pupil Nurses	10	-	0.00	2	20.00
Youth Workers	153	-	0.00	13	8.50
<b>TOTAL</b>	<b>2,909</b>	<b>29</b>	<b>1.00</b>	<b>1,422</b>	<b>48.90</b>

Table 3.5.5 Promotions by salary band for the period 1 April 2022 to 31 March 2023

Salary Band	Employees 1 April 2022	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
01 Lower Skilled (Levels 1-2), Permanent	213.00	0.00	0.00	0.00	0.00
02 Skilled (Levels 3-5), Permanent	569.00	0.00	0.00	0.00	0.00
03 Highly Skilled Production (Levels	1 827.00	0.00	0.00	0.00	0.00

Salary Band	Employees 1 April 2022	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
6-8), Permanent					
04 Highly Skilled Supervision (Levels 9-12), Permanent	379.00	0.00	0.00	0.00	0.00
05 Senior Management (Levels >= 13), Permanent	28.00	0.00	0.00	0.00	0.00
09 Other, Permanent	31.00	0.00	0.00	0.00	0.00
11 Contract (Levels 3-5), Permanent	2.00	0.00	0.00	0.00	0.00
12 Contract (Levels 6-8), Permanent	2.00	0.00	0.00	0.00	0.00
13 Contract (Levels 9-12), Permanent	5.00	0.00	0.00	0.00	0.00
14 Contract (Levels >= 13), Permanent	1.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>3 057.00</b>	0.00	0.00	0.00	0.00

### 4.3 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 - SENIOR OFFICIALS AND MANAGERS	2	-	-	-	5	-	-	-	7
02 - PROFESSIONALS	608	-	-	-	1,438	-	-	-	2046
03 - TECHNICIANS AND ASSOCIATE PROFESSIONALS	124	-	-	-	235	2	1	2	364
04 - CLERKS	60	-	-	-	148	-	-	-	208
05 - SERVICE SHOP AND MARKET SALES WORKERS	9	-	-	-	26	-	-	-	35
07 - CRAFT AND RELATED TRADE WORKERS	10	-	-	-	1	-	-	-	11
08 - PLANT AND MACHINE OPERATORS AND ASSEMBLERS	1	-	-	-	-	-	-	-	1
09 - LABOURERS AND RELATED WORKERS	80	-	-	-	129	-	-	-	209
TOTAL	894	-	-	-	1,982	2	1	2	2881
Employees with disabilities	28	-	-	-	35	-	-	2	65

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	1	-	-	-	1	-	-	-	2
02 Senior Management, Permanent	11	-	-	-	10	-	-	-	21
03 Professionally qualified and experienced specialists and mid-management, Permanent	144	-	-	-	379	-	1	8	532
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	475	-	-	-	1,077	-	-	-	1,552
05 Semi-skilled and discretionary decision making, Permanent	179	-	-	-	343	2	-	-	524
06 Unskilled and defined decision making, Permanent	71	-	-	-	130	-	-	-	201
07 Not Available,	11	-	-	-	38	-	-	-	49



Occupational band	Male					Female				Total
	African	Coloured	Indian	White		African	Coloured	Indian	White	
Permanent										
10 Contract (Professionally Qualified), Permanent	1	-	-	-		-	-	-	-	1
11 Contract (Skilled Technical), Permanent	-	-	-	-		1	-	-	-	1
12 Contract (Semi-Skilled), Permanent	1	-	-	-		2	-	-	-	3
13 Contract (Unskilled), Permanent	-	-	-	-		1	-	-	-	1
<b>TOTAL</b>	<b>894</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>1,982</b>	<b>2</b>	<b>1</b>	<b>8</b>	<b>2,887</b>

Table 3.6.3 Recruitment for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
02 Senior Management, Permanent	1	-	-	-	-	-	-	-	1
03 Professionally qualified and experienced specialists and mid-management, Permanent	1	-	-	-	-	-	-	-	1
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2	-	-	-	2	-	-	-	4
05 Semi-skilled and discretionary decision making, Permanent	2	-	-	-	3	-	-	-	5
07 Not Available, Permanent	11	-	-	-	38	-	-	-	49
09 Contract (Senior Management), Permanent	1	-	-	-	-	-	-	-	1
10 Contract (Professionally qualified), Permanent	3	-	-	-	1	-	-	-	4

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
12 Contract (Semi-skilled), Permanent	2	-	-	-	3	-	-	-	5
13 Contract (Unskilled), Permanent	-	-	-	-	1	-	-	-	1
<b>TOTAL</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71</b>
<b>Employees with disabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>

Table 3.6.4 Promotions for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
02 Senior Management, Permanent	7	-	-	-	7	-	-	-	14
03 Professionally qualified and experienced specialists and mid-management, Permanent	97	-	-	-	254	-	1	3	355
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen,	264	-	-	-	537	1	-	-	802

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Permanent									
05 Semi-skilled and discretionary decision making, Permanent	74	-	-	-	153	1	-	-	228
06 Unskilled and defined decision making, Permanent	20	-	-	-	32	-	-	-	52
<b>TOTAL</b>	<b>462</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>983</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>1,451</b>
<i>Employees with disabilities</i>	15	-	-	-	14	-	-	-	29

Table 3.6.5 Terminations for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	1	-	-	-	-	-	-	-	1
02 Senior Management, Permanent	-	-	-	-	3	-	-	-	3
03 Professionally qualified and	6	-	-	-	6	-	-	-	

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
experienced specialists and mid-management, Permanent								-	12
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	15	-	-	-	12	-	-	-	27
05 Semi-skilled and discretionary decision making, Permanent	5	-	-	-	6	-	-	-	11
06 Unskilled and defined decision making, Permanent	1	-	-	-	3	-	-	-	4
07 Not Available, Permanent	4	-	-	-	24	-	-	-	28
09 Contract (Senior Management), Permanent	2	-	-	-	-	-	-	-	2
10 Contract (Professionally qualified), Permanent	4	-	-	-	1	-	-	-	5
11 Contract (Skilled technical), Permanent	1	-	-	-	-	-	-	-	1
12 Contract (Semi-skilled),	1	-	-	-	1	-	-	-	

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Permanent								-	2
<b>TOTAL</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>96</b>
Employees with Disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.6 Disciplinary action for the period 1 April 2022 to 31 March 2023

Disciplinary action Taken	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Negligence and Insubordination	1	0	0	0	0	0	0	0	1
Gross Dishonesty	0	0	0	0	1	0	0	0	1
Fraud	1	0	0	0	1	0	0	0	2
Sexual harrassment	1	0	0	0	0	0	0	0	1
Assault	2	0	0	0	2	0	0	0	4
Fruitless and wasteful expenditure	1	0	0	0	0	0	0	0	1
Misuse of State Property	0	0	0	0	1	0	0	0	1
Absenteeism	1	0	0	0	0	0	0	0	1
<b>TOTAL</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>



Table 3.6.7 Skills development for the period 1 April 2022 to 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	39	0	0	0	28	0	0	0	67
Professionals	324	0	0	0	159	0	0	0	483
Technicians and associate professionals	37	0	0	0	27	0	0	0	63
Clerks	43	0	0	0	21	0	0	0	64
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	51	0	0	0	13	0	0	0	64
<b>Total</b>	494	0	0	0	247	0	0	0	741
<b>Employees with disabilities</b>	0	0	0	0	0	0	0	0	0

#### 4.4 Signing of Performance Agreements by SMS Members

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

*Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2022*

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	0	0	0	100%
Salary Level 15				100%
Salary Level 14	3	2	2	100%
Salary Level 13	28	19	19	100%
<b>Total</b>	<b>32</b>	<b>22</b>	<b>22</b>	<b>100%</b>

*Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 May 2022*

Reasons
None

*Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 May 2021*

Reasons
None

#### 4.5 Performance Rewards

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

*Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2022 to 31 March 2023*

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	3	866	0.30	12	4,053
Female	6	1,947	0.30	24	3,925
Asian					
Male	0	0	0	0	0
Female	0	1	0	0	0
Coloured					
Male	0	0	0	0	0
Female	0	2	0%	0	0
White					
Male	0	0	0	0	0
Female	0	6	0	0	0
<b>Total</b>	<b>9</b>	<b>2,887</b>	<b>0.30</b>	<b>36</b>	<b>3,967</b>

*Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2022 to 31 March 2023*

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
01 Lower Skilled (Levels 1-2)	-	201	0.00	0.00	1607	0.00
02 Skilled (Levels 3-5)	3	524	0.60	5.59	0.00	0.30

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
03 Highly Skilled Production (Levels 6-8)	2	1,552	0.10	7.72	1 863.00	0.20
04 Highly Skilled Supervision (Levels 9-12)	4	532	0.80	22.39	3 862.00	0.40
09 Other	-	49	0.00	0.00	5 598.00	0.00
10 Contract (Levels 1-2)	-	1	0.00	0.00	0.00	0.00
11 Contract (Levels 3-5)	-	3	0.00	0.00	0.00	0.00
12 Contract (Levels 6-8)	-	1	0.00	0.00	0.00	0.00
13 Contract (Levels 9-12)	-	1	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>9</b>	<b>2,864</b>	<b>0.30</b>	<b>35.71</b>	0.00	0.90

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2022 to 31 March 2023

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
FINANCIAL CLERKS AND CREDIT CONTROLLERS	-	45	-	-	-
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED	-	9	-	-	-
HUMAN RESOURCES CLERKS	-	13	-	-	-

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
HOUSEHOLD AND LAUNDRY WORKERS	-	12	-	-	-
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC.	-	8	-	-	-
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	-	23	-	-	-
MESSENGERS PORTERS AND DELIVERERS	-	23	-	-	-
RISK MANAGEMENT AND SECURITY SERVICES	-	3	-	-	-
SOCIAL SCIENCES RELATED	-	2	-	-	-
FINANCE AND ECONOMICS RELATED	-	9	-	-	-
LOGISTICAL SUPPORT PERSONNEL	-	2	-	-	-
FOOD SERVICES WORKERS	-	2	-	-	-
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	-	51	-	-	-
AUXILIARY AND RELATED WORKERS	-	78	-	-	-
OTHER OCCUPATIONS	-	2	-	-	-
LEGAL RELATED	-	1	-	-	-
FINANCIAL AND RELATED PROFESSIONALS	-	27	-	-	-
BUILDING AND OTHER PROPERTY CARETAKERS	-	32	-	-	-
PROBATION WORKERS	-	18	-	-	-
OCCUPATIONAL THERAPY	-	1	-	-	-

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
SOCIAL SCIENCES SUPPLEMENTARY WORKERS	-	159	-	-	-
ADMINISTRATIVE RELATED	-	106	-	-	-
COMMUNICATION AND INFORMATION RELATED	-	5	-	-	-
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	-	62	-	-	-
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	1	127	1	2	1,642
LIBRARY MAIL AND RELATED CLERKS	-	32	-	-	-
HUMAN RESOURCES RELATED	-	13	-	-	-
FORESTRY LABOURERS	-	2	-	-	-
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER	-	1	-	-	-
SOCIAL WORK AND RELATED PROFESSIONALS	7	1,489	1	32	4,584
YOUTH WORKERS	1	157	1	2	1,973
MATERIAL-RECORDING AND TRANSPORT CLERKS	-	4	-	-	-
PSYCHOLOGISTS AND VOCATIONAL COUNSELLORS	-	2	-	-	-
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	-	4	-	-	-
ARTISAN PROJECT AND	-	3	-	-	-

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
RELATED SUPERINTENDENTS					
PROFESSIONAL NURSE	-	13	-	-	-
SENIOR MANAGERS	-	5	-	-	-
CLIENT INFORM CLERKS(SWITCHB RECEPT INFORM CLERKS)	-	1	-	-	-
SPEECH THERAPY AND AUDIOLOGY	-	1	-	-	-
LIGHT VEHICLE DRIVERS	-	1	-	-	-
SECURITY GUARDS	-	1	-	-	-
HEALTH SCIENCES RELATED	-	1	-	-	-
FOOD SERVICES AIDS AND WAITERS	-	12	-	-	-
NURSING ASSISTANTS	-	10	-	-	-
COMMUNITY DEVELOPMENT WORKERS	-	305	-	-	-
STAFF NURSES AND PUPIL NURSES	-	10	-	-	-
<b>TOTAL</b>	<b>9</b>	<b>2,887</b>	<b>0</b>	<b>36</b>	<b>3,967</b>

*Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2022 to 31 March 2023*

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	-	19	-	-	-	-
Band B	-	2	-	-	-	-



Band C	-	1	-	-	-	-
Band D	-	1	-	-	-	-
<b>Total</b>	-	<b>23</b>	-	-	-	-

#### 4.6 Foreign Workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary band and major occupation.

*Table 3.9.1 foreign workers by salary band for the period 1 April 2022 to 31 March 2023*

Salary band	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*Table 3.9.2 foreign workers by major occupation for the period 1 April 2022 and 31 March 2023*

Major occupation	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
None						

### 3.10 Leave utilisation

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

*Table 3.10.1 Sick leave for the period 1 January 2022 to 31 December 2022*

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Contract Other	77.00	50.60	33.00	1.50	2.00	16.00
Highly skilled production (Levels 6-8)	9 068.50	84.80	1 141.00	52.20	8.00	14 289.00
Highly skilled supervision (Levels 9-12)	3 116.00	84.90	404.00	18.50	8.00	7 366.00
Lower skilled (Levels 1-2)	1 652.00	90.90	159.00	7.30	10.00	1 016.00
Senior management (Levels 13-16)	98.00	88.80	11.00	0.50	9.00	429.00
Skilled (Levels 3-5)	3 745.00	85.80	436.00	20.00	9.00	3 371.00
<b>TOTAL</b>	<b>17 756.50</b>	<b>85.50</b>	<b>2 184.00</b>	<b>100.00</b>	<b>8.00</b>	<b>26 487.00</b>

*Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2022*

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Highly skilled production (Levels 6-8)	104.00	100.00	7.00	58.30	15.00	165.00
Highly skilled supervision (Levels 9-12)	189.00	100.00	3.00	25.00	63.00	538.00
Lower skilled (Levels 1-2)	52.00	100.00	2.00	16.70	26.00	30.00
<b>TOTAL</b>	<b>345.00</b>	<b>100.00</b>	<b>12.00</b>	<b>100.00</b>	<b>29.00</b>	<b>732.00</b>

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

*Table 3.10.3 Annual Leave for the period 1 January 2022 to 31 December 2022*

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 1-2)	5	5	1
Contract (Levels 13-16)	13	13	1
Contract (Levels 3-5)	25	8	3
Contract (Levels 6-8)	25	13	2
Contract (Levels 9-12)	44	7	6
Contract Other	802	11	70
Highly skilled production (Levels 6-8)	42,608	25	1,681
Highly skilled supervision (Levels 9-12)	14,985	28	529
Lower skilled (Levels 1-2)	5,899	29	206
Senior management (Levels 13-16)	558	23	24

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Skilled (Levels 3-5)	14,906	27	548
<b>TOTAL</b>	<b>79,870</b>	<b>26</b>	<b>3,071</b>

*Table 3.10.4 Capped leave for the period 1 January 2022 to 31 December 2022*

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee
Contract (Levels 1-2)	-	-	-
Contract (Levels 3-5)	-	-	-
Contract (Levels 9-12)	-	-	-
Contract Other	-	-	-
Highly skilled production (Levels 6-8)	-	-	86
Highly skilled supervision (Levels 9-12)	-	-	65
Lower skilled (Levels 1-2)	-	-	-
Senior management (Levels 13-16)	-	-	79
Skilled (Levels 3-5)	1	1	68
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>74</b>

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

*Table 3.10.5 Leave pay-outs for the period 1 April 2022 to 31 March 2023*

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
ANNUAL - DISCOUNTING WITH RESIGNATION (WORK DAYS)	740.00	26	28 462.00

ANNUAL - DISCOUNTING: CONTRACT EXPIRY (WORK DAYS)	229.00	10	22 900.00
ANNUAL - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	1 384.00	30	46 133.00
CAPPED - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	3 428.00	20	171 400.00
<b>TOTAL</b>	<b>5 781.00</b>	<b>86</b>	

### 3.11 HIV/AIDS & Health Promotion Programmes

*Table 3.11.1 Steps taken to reduce the risk of occupational exposure*

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
<b>Nurses</b> <b>Social workers</b> <b>General cleaners</b> <b>All staff</b>	Screenings for non-communicable disease Access to HIV Counselling and Testing TB Screenings Health and Safety Assessment and Hazard Identification Health Education, Promotion and Awareness.

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Ms Mapheto MG: 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	Yes		1 Deputy Director, 5 x seconded social workers to Employee Health and Wellness.

Question	Yes	No	Details, if yes
annual budget that is available for this purpose.			Budget R 500 000
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		<p>The Department implement the four key pillars of the EHW Strategic Framework namely:</p> <p>Wellness Management which includes provision of psycho-social support, Counselling, and physical well-being of employees.</p> <p>Health and Productivity Management programmes which encompass the health promotion and education, mental health management and management of communicable and non-communicable disease.</p> <p>Occupational health and Safety (OHS) which includes hazards identification, environment assessment and compliance with statutory requirements of the OHS Act.</p> <p>Workplace HIV &amp; AIDS, TB and STI which encompass HIV Counselling and Testing, TB Screening, HIV information and Awareness and Condom distribution in the workplace.</p>
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		<p>Mr Mabilu TAR, (Diversity Management) Mr Rasivumo M S, (HRM) Ms Moselana C, (Logistics) Ms Mokonyama I (Risk), Mr Tshilamulela T (Budget), Mr Mundalamo (Assets Management) , Mr Mokgoebo K R (Transformation)</p> <p>Mr Mogotlane (Labour Organisation) Ms Selamulela T (Labour organisation)</p>
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		The Department implement the approved Transversal Human Resource Management which include HIV and AIDS Workplace policy to mitigate against unfair discrimination based on the HIV status.
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		<p>The approved Transversal HIV and AIDS Workplace policy is being to protect positive employees and those who have disclosed their status.</p> <p>HIV &amp; AIDS awareness sessions are done to empower employees on their rights in the workplace.</p>
7. Does the department encourage its	Yes		Facilitated HIV Counselling and Testing

Question	Yes	No	Details, if yes
employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.			session in the past financial year whereby 86 employees tested while 239 were screened for TB.  All tested negative.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		The Department develop annual Employee Health and Wellness operational plans with specific indicators on health promotion.  Quarterly and annual reports are compiled to measure performance against the operational plan indicators.  The Employee Health and Wellness System Monitoring annual report is compiled which helps in measuring the implementation and support of employee health and wellness.

### 3.12 Labour Relations

*Table 3.12.1 Collective agreements for the period 1 April 2022 to 31 March 2023*

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

*Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2022 to 31 March 2023*

Type of misconduct	Number	% of total
Negligence and Insubordination	1	0.83
Fraud	2	16.66
Sexual harrassment	1	0.83
<b>Total</b>	<b>4</b>	<b>33.33</b>

*Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 to 31 March 2023*

Type of misconduct	Number	% of total
<b>Negligence and Insubordination</b>	<b>1</b>	<b>0.83</b>
<b>Gross Dishonesty</b>	<b>1</b>	<b>0.83</b>
<b>Fraud</b>	<b>2</b>	<b>16.66</b>



<b>Sexual harrassment</b>	<b>1</b>	<b>0.83</b>
<b>Assault</b>	<b>4</b>	<b>33.33</b>
<b>Fruitless and wasteful expenditure</b>	<b>1</b>	<b>0.83</b>
<b>Misuse of State Property</b>	<b>1</b>	<b>0.83</b>
<b>Absenteeism</b>	<b>1</b>	<b>0.83</b>
<b>Total</b>	<b>12</b>	<b>100%</b>

*Table 3.12.4 Grievances logged for the period 1 April 2022 and 31 March 2023*

Grievances	Number	% of Total
Number of grievances resolved	33	72%
Number of grievances not resolved	13	28%
Total number of grievances lodged	46	100%

*Table 3.12.5 Disputes logged with Councils for the period 1 April 2022 to 31 March 2023*

Disputes	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	0	0%
<b>Total number of disputes lodged</b>	<b>0</b>	<b>0%</b>

*Table 3.12.6 Strike actions for the period 1 April 2022 to 31 March 2023*

<b>Total number of persons working days lost</b>	6
<b>Total costs working days lost</b>	3768
<b>Amount recovered as a result of no work no pay (R'000)</b>	3768

*Table 3.12.7 Precautionary suspensions for the period 1 April 2022 to 31 March 2023*

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

### 3.13 Skills development

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

*Table 3.13.1 Training needs identified for the period 1 April 2022 to 31 March 2023*

Occupational category	Gender	Number of employees as at 1 April 2023	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	41	0	7	0	7
	Male	28	0	5	0	5
Professionals	Female	1438	0	119	17	138
	Male	608	0	32	12	44
Technicians and associate professionals	Female	235	0	30	0	30
	Male	124	0	13	0	12
Clerks	Female	138	0	15	0	15
	Male	60	0	10	0	10
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	9	0	0	0	0
	Male	18	0	0	0	0
Elementary occupations	Female	122	0	31	0	31
	Male	46	0	11	0	11
Sub Total	Female	<b>1983</b>	<b>0</b>	<b>203</b>	<b>17</b>	<b>201</b>
	Male	<b>904</b>	<b>0</b>	<b>70</b>	<b>12</b>	<b>82</b>
<b>Total</b>		<b>2887</b>	<b>0</b>	<b>273</b>	<b>29</b>	<b>302</b>

Table 3.13.2 Training provided for the period 1 April 2022 to 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	41	0	39	0	39
	Male	28	0	28	0	28
Professionals	Female	1438	0	324	0	324
	Male	608	0	159	0	159
Technicians and associate professionals	Female	235	0	37	0	37
	Male	124	0	27	0	27
Clerks	Female	138	0	43	0	43
	Male	60	0	21	0	21
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	9	0	0	0	0
	Male	18	0	0	0	0
Elementary occupations	Female	122	0	51	0	51
	Male	46	0	13	0	13
Sub Total	Female	<b>1983</b>	<b>0</b>	<b>494</b>	<b>0</b>	<b>494</b>
	Male	<b>904</b>	<b>0</b>	<b>247</b>	<b>0</b>	<b>247</b>
<b>Total</b>		<b>2887</b>	<b>0</b>	<b>741</b>	<b>0</b>	<b>741</b>

### 3.14 Injury on duty

The following tables provide basic information on injury on duty.

*Table 3.14.1 Injury on duty for the period 1 April 2022 to 31 March 2023*

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	10	100
Permanent Disablement	0	0
Fatal	0	0
Total	10	100

### 3.15 Utilisation of Consultants

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

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

*Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2022 to 31 March 2023*

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

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

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 to 31 March 2023

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2022 to 31 March 2023

Project title	Total Number of consultants that worked on project	Duration (Workdays)	Donor and contract value in Rand
None			

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

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 to 31 March 2023

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

### 3.16 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2022 to 31 March 2023

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by Department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0

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

## PART E: PFMA COMPLIANCE REPORT

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# 1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

## 1.1. Irregular expenditure

### a) Reconciliation of irregular expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	32 444	33 254
Add: Irregular expenditure confirmed	4 629	25
Less: Irregular expenditure condoned	(354)	(659)
Less: Irregular expenditure not condoned and removed	-	(176)
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	(403)	-
<b>Closing balance</b>	<b>36 316</b>	<b>32 444</b>

The department incurred irregular expenditure on a physical security services contract for Saselamani one stop center, Botlokwa one stop center and Eisleben one stop center.

### Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Accommodation for the MEC	-	25
Contract awarded to bidders that did not score the highest point in the evaluation process	4 629	-
<b>Total</b>	<b>4 629</b>	<b>25</b>

**b) Details of current and previous year irregular expenditure (under investigation)**

Description <sup>1</sup>	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under investigation	4 655	31 857
<b>Total</b>	<b>4 655</b>	<b>31 857</b>

**c) Details of current and previous year irregular expenditure condoned**

Description	2022/2023	2021/2022
	R'000	R'000
Appointment of a company whose director is a public servant	-	6
No declaration of interest by employee who do business with the state	-	554
Acting allowance beyond the stipulated period	-	99
Non-compliance with local content (SBD 6.2 form)	35	-
Department failed to specify minimum threshold	65	-
Procured service without completing SBD4 form	12	-
Non-compliance to Local content and Production during procurement of clothing	170	-
Non-compliance to Local content and Production during procurement of clothing	52	-
Paupers burial: SCM officials failed to detect government official is a director of the funeral parlour	20	-
<b>Total</b>	<b>354</b>	<b>659</b>

**d) Details of current and previous year irregular expenditure removed - (not condoned)**

Description	2022/2023	2021/2022
	R'000	R'000
Acting allowance paid for the period exceeding six months	-	176
<b>Total</b>	<b>-</b>	<b>176</b>

e) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/2023	2021/2022
	R'000	R'000
Erroneous payments on performance incentives (PMDS)	403	-
<b>Total</b>	<b>403</b>	<b>-</b>

f) irregular expenditure

Description	Amount	Status	Disciplinary steps taken
Non-compliance to Local content and Production during procurement of clothing	R35 248.00	The transaction has been condoned by Provincial Treasury	Final Written warning was issued
Non-compliance to Local content and Production during procurement of clothing	R170 830.00	The transaction has been condoned by Provincial Treasury	Final Written warning was issued
Non-compliance to Local content and Production during procurement of clothing	R135 818.00	The transaction was returned for correction by Provincial Treasury	Final Written warning was issued
Non-compliance to Local content and Production during procurement of clothing	R34 000	The transaction was returned for correction by Provincial Treasury	Final Written warning was issued
Non-compliance to Local content and Production during procurement of clothing	R52 448.84	The transaction has been condoned by Provincial Treasury	Final Written warning was issued

Paupers burial: SCM officials failed to detect government official is a director of the funeral parlour	R20 000	The transaction has been condoned by Provincial Treasury	Final Written warning was issued
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## 1.2. Fruitless and wasteful expenditure

### a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	5 905,00	6 153,00
Add: Fruitless and wasteful expenditure confirmed	130,00	28,00
Less: Fruitless and wasteful expenditure written off	(15,00)	(260,00)
Less: Fruitless and wasteful expenditure recoverable	(13,00)	(16,00)
<b>Closing balance</b>	<b>6 007,00</b>	<b>5 905,00</b>

### Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Municipal interest	-	2
Eskom interest	3	3
Telkom Interest	1	18
Licensing	1	5
<b>Total</b>	<b>5</b>	<b>28</b>

### b) Details of current and previous year fruitless and wasteful expenditure (under investigation)

Description <sup>2</sup>	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under investigation	71	94
<b>Total<sup>3</sup></b>	<b>71</b>	<b>94</b>

c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered	13	16
<b>Total</b>	<b>13</b>	<b>16</b>

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off	15	260
<b>Total</b>	<b>15</b>	<b>260</b>

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	12 688	619 384
Invoices paid <b>within</b> 30 days or agreed period	12 673	618 952
Invoices paid <b>after</b> 30 days or agreed period	15	431
Invoices older than 30 days or agreed period ( <b>unpaid and without dispute</b> )	None	Nil
Invoices older than 30 days or agreed period ( <b>unpaid and in dispute</b> )	None	Nil

15 invoices were affected by incorrect capturing of invoice receipt date and technical omission from the payment run.

### 3. SUPPLY CHAIN MANAGEMENT

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Supply and Delivery of diesel at Polokwane Welfare Complex	Brooks Motors T/A Manlani Trading Enterprise	Emergency	N/A	R86 835,00
Training Services on Trauma Management	National Institute Community Development & Management (NICDAM)	Deviation	N/A	R446 315,00
Supply and delivery of Social Work Forms	Government Printing Works	Deviation	N/A	R44 280,00
Paupers Burial	AVBOB	Deviation	N/A	R12 626,00
Paupers Burial	Bakone Masenya	Deviation	N/A	R13 028,00
Paupers Burial	Marksimon Group of Companies	Deviation	N/A	R12 413,15
Repairs of standby generator	Enaji Tech Center	Deviation	N/A	R52 900,00
Paupers Burial	AVBOB	Deviation	N/A	R10 288,00
Pauper Burial	AVBOB	Deviation	N/A	R5 882,88
Pauper Burial	AVBOB	Deviation	N/A	R6 829,69
Supply and delivery of Social Work Forms	Government Printing Works	Deviation	N/A	R70 441,20
Pauper	Phokwane	Deviation	N/A	R 5,000.00
Pauper	Mogodumane Funeral Pauper	Deviation	N/A	R7,402.08
pauper	Mogodumane Funeral	Deviation	N/A	R7,764.93
Training Services on Trauma Management	National Institute Community Development & Management (NICDAM)	Deviation	N/A	R196,525.80
Paupers Burial	Mogodumane Funeral	Deviation	N/A	R8 967,37

Repairs of Standby Generator at Polokwane Welfare Complex	Sumarc Project Solutions	Deviation	N/A	R156 400,00
<b>Total</b>				<b>R1 143 899.10</b>

### 3.1. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
None	None	None	None	None	None	None
<b>Total</b>						



## PART F: FINANCIAL INFORMATION

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## REPORT OF THE AUDITOR - GENERAL

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

#### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Department of Social Development set out on pages 186 to 250, which comprise the appropriation statement, statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets and cash flow statement, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Social Development as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2022 (DoRA).

#### Basis for opinion

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

#### Emphasis of matter

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

#### Material impairments of receivables

7. As disclosed in note 14.6 to the financial statements, material losses of R 21 190 000 were incurred as a result of an impairment of irrecoverable debtors.

#### Other matters

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



### Unaudited supplementary schedules

9. The supplementary information set out on pages 251 to 263, does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them

### National Treasury Instruction Note No. 4 of 2022-23: PFMA Compliance and Reporting Framework

10. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 30 to the financial statements. Furthermore, the movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of the department. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees.
11. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

### Responsibilities of the accounting officer for the financial statements

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

### Responsibilities of the auditor-general for the audit of the financial statements

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are



considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

### Report on the audit of the annual performance report

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

17. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measures the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Social Welfare Services	32 to 36	To provide integrated developmental social welfare services to the poor and vulnerable in partnership with stakeholders and civil society organizations.
Children and Families	37 to 41	Provide comprehensive child and family care and support services to communities in partnership with stakeholders and Civil Society Organisations.

18. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

19. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated

- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

20. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

21. The material findings on the performance information of the selected programmes are as follows:

### Social Welfare Services

#### Number of older accessing community-based care and support services

22. An achievement of 11480 was reported against a target of 9250. I could not determine the actual achievement, but I estimated it to be materially more than reported. Consequently, it is likely that the achievement against the target was better than reported.

### Children and Families

#### Various indicators

23. Based on audit evidence, the actual achievements for 2 indicators did not agree to what was reported. I could not determine the actual achievements, but I estimated them to be materially more. The targets were still achieved and more likely that the achievement against the targets were better than reported.

Indicator description	Target	Reported achievement
Number of family members participating in family preservation services	26980	35184
Number of children accessing registered partial care facilities	1290	1589

#### Other matters

24. I draw attention to the matters below.

### Achievement of planned targets

25. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under-achievements. This information should be considered in the context of the material findings on the reported performance information.



### Material misstatements

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 2: Social Welfare Services as well as Programme 3: Children and Families. Management did not correct the misstatements and I reported material findings in this regard.

### Report on compliance with legislation

27. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting office is responsible for the department's compliance with legislation.
28. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
29. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
30. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### Annual financial statements, performance and annual report

31. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1) (a) of the PFMA.
32. Material misstatements of disclosure items identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified opinion.

### Strategic planning and performance management

33. Specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by public service regulation 25(1)(e)(i) and (iii).

### Other information in the annual report

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

35. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
36. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
37. The other information I obtained prior to the date of this auditor's report is part E of the annual report (PFMA compliance report- Irregular, fruitless and wasteful, unauthorised expenditure and material losses), and the rest of the annual report (i.e. General information, performance information, governance, human resource management and other PFMA compliance report) is expected to be made available to us after 31 July 2023.
38. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.
39. When I do receive and read the rest of the other information (i.e. General information, performance information, governance, human resource management, and other PFMA compliance report), if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

#### Internal control deficiencies

40. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
41. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion and the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
42. The accounting officer did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.
43. The accounting officer did not ensure that steps were taken in order to ensure that deficiencies in internal control on performance information identified by auditors were addressed. The department developed a plan to address internal and external audit findings, but the accounting officer did not monitor adherence to the plan.



44. Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information. The financial statements and annual performance report contained numerous misstatements that required corrections.

#### Other reports

45. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

46. The office of the premier is investigating an allegation of unfair tender processes at the department for the 2022-23 financial period on the request of the department, the investigation is still in the early stages and by the time of this report gathering of information was still in progress.

*Auditor General*

Polokwane

31 July 2023



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with selected requirements in key legislation.

#### Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

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

### Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	"Section 1 Section 38(1)(a)(iv); 38(1)(b);38(1)(c);38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); Section 39(1)(a); 39(2)(a); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(4); 44; 44 (1) and (2) ; 45(b); Section 50(3); 50(3)(a) "
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	"Treasury Regulation 4.1.1; 4.1.3 Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Treasury Regulation 6.3.1(a); 6.3.1(b); 6.3.1(c'); 6.3.1(d); 6.4.1(b) Treasury Regulation 7.2.1 Treasury Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Treasury Regulation 9.1.1; 9.1.4 Treasury Regulation 10.1.1(a); 10.1.2 Treasury Regulation 11.4.1; 11.4.2; 11.5.1 Treasury Regulation 12.5.1 Treasury Regulation 15.10.1.2(c') Treasury Regulation 16A3.1 ; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) ,(b) & (e) ; 16A 6.3(a); 16A 6.3(a)(i);16A 6.3(b); 16A 6.3(c);16A6.3(d) ; 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A7.1; 16A.7.3; 16A.7.6; 16A.7.7; TR 16A8.2 (1) and (2); 16A 8.3 16A8.3 (d); 16A 8.4; 16A9; 16A9.1; 16A9.1(b)(ii);16A9.1 (c); 16A 9.1(d); 16A 9.1(e); 116A9.2; 16A9.2(a)(ii) &(iii); 16A9.1(f). Treasury Regulation 17.1.1 Treasury Regulation 18.2 Treasury Regulation 19.8.4"
Division of Revenue Act No. 5 of 2022	DoRA 11(6)(a) DoRA 12(5) DoRA 16(1) DoRA 16(3) DoRA 16(3)(a)(i) DoRA 16(3)(a)(ii)(bb)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
Construction Industry Development Board Regulations	CIDB regulation 17; 25(7A)

Legislation	Sections or regulations
PPPFA	Section 2.1(a); 2.1(b); 2.1(f)
Public service regulation	Public service regulation 18; 18 (1) and (2); 25(1)(e)(i); 25(1)(e)(iii)
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 11.2 Paragraph 12.1 and 12.2
PPR 2022	Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
SITA ACT	Section 7(3)
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.3; 4.4; 4.4 (a); 4.4 (c) -(d)
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4(b); 3.9
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.4(a); 3.3.1
NT instruction note 4 of 2015/16	Paragraph 3.4
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
NT instruction note 1 of 2021/22	Paragraph 4.1

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

Appropriation per programme									
2022/23							2021/22		
Programme	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Administration</b>	383,708	(19,259)	(36)	364,413	351,138	13,275	96.4%	375,426	366,904
<b>Social Welfare Services</b>	462,787	7,305	-	470,092	468,876	1,216	99.7%	474,762	463,159
<b>Children and Families</b>	621,748	7,940	-	629,688	626,473	3,215	99.5%	1,022,627	977,113
<b>Restorative Services</b>	230,290	(20,591)	-	209,699	201,320	8,379	96.0%	207,095	202,052
<b>Development and Research</b>	206,772	24,605	-	231,377	229,055	2,322	99.0%	226,186	224,433
<b>Subtotal</b>	<b>1,905,305</b>	<b>-</b>	<b>(36)</b>	<b>1,905,269</b>	<b>1,876,862</b>	<b>28,407</b>	<b>98.5%</b>	<b>2,306,096</b>	<b>2,233,661</b>
<b>Statutory Appropriation</b>	<b>2,037</b>	<b>-</b>	<b>36</b>	<b>2,073</b>	<b>2,073</b>	<b>-</b>	<b>100.0%</b>	<b>1,978</b>	<b>2,000</b>
President and Deputy President salary									
Members' remuneration	2,037	-	36	2,073	2,073	-	100.0%	1,978	2,000
<b>TOTAL</b>	<b>1,907,342</b>	<b>-</b>	<b>-</b>	<b>1,907,342</b>	<b>1,878,935</b>	<b>28,407</b>	<b>98.5%</b>	<b>2,308,074</b>	<b>2,235,661</b>



**APPROPRIATION STATEMENT FOR THE YEAR ENDED  
31 MARCH 2023**

	2022/23		2021/22	
	Final Budget	Actual Expenditure	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000
<b>TOTAL (brought forward)</b>				
<b>Reconciliation with statement of financial performance</b>				
<b>ADD</b>				
Departmental receipts	13,816		6,704	
NRF Receipts				
Aid assistance				
<b>Actual amounts per statement of financial performance (total revenue)</b>	<b>1,921,158</b>		<b>2,314,778</b>	
<b>ADD</b>				
Aid assistance				
Prior year unauthorised expenditure approved without funding				
<b>Actual amounts per statement of financial performance (total expenditure)</b>		<b>1,878,935</b>		<b>2,235,661</b>

# APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

Appropriation per economic classification									
2022/23							2021/22		
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>1,601,942</b>	-	<b>(7,300)</b>	<b>1,594,642</b>	<b>1,581,114</b>	<b>13,528</b>	<b>99.2%</b>	<b>1,667,470</b>	<b>1,655,979</b>
Compensation of employees	1,315,819	-	-	1,315,819	1,313,642	2,177	99.8%	1,375,361	1,374,980
Goods and services	286,123	-	(7,300)	278,823	267,467	11,356	95.9%	292,109	280,971
Interest and rent on land	-	-	-	-	5	(5)	-	-	28
<b>Transfers and subsidies</b>	<b>271,075</b>	-	<b>7,300</b>	<b>278,375</b>	<b>268,600</b>	<b>9,775</b>	<b>96.5%</b>	<b>619,128</b>	<b>556,954</b>
Provinces and municipalities	436	-	-	436	282	154	64.7%	375	256
Departmental agencies and accounts	-	-	7,300	7,300	7,284	16	99.8%	-	-
Non-profit institutions	264,028	-	-	264,028	254,461	9,567	96.4%	607,745	543,479
Households	6,611	-	-	6,611	6,573	38	99.4%	11,008	13,219
<b>Payments for capital assets</b>	<b>34,325</b>	-	-	<b>34,325</b>	<b>24,460</b>	<b>9,865</b>	<b>71.3%</b>	<b>21,476</b>	<b>14,730</b>
Buildings and other fixed structures	17,650	(5,622)	-	12,028	9,289	2,739	77.2%	13,808	8,485
Machinery and equipment	16,675	5,622	-	22,297	15,171	7,126	68.0%	7,668	6,245
<b>Payments for financial assets</b>	<b>-</b>	-	-	<b>-</b>	<b>4,761</b>	<b>(4,761)</b>	<b>-</b>	<b>-</b>	<b>7,998</b>
<b>Total</b>	<b>1,907,342</b>	<b>-</b>	<b>-</b>	<b>1,907,342</b>	<b>1,878,935</b>	<b>28,407</b>	<b>98.5%</b>	<b>2,308,074</b>	<b>2,235,661</b>

**APPROPRIATION STATEMENT FOR THE YEAR ENDED  
31 MARCH 2023**

Statutory appropriation per economic classification									
2022/23								2021/22	
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>2,037</b>	-	36	<b>2,073</b>	<b>2,073</b>	-	<b>100.0%</b>	<b>1,978</b>	<b>2,000</b>
Compensation of employees	2,037	-	36	2,073	2,073	-	100.0%	1,978	2,000
<b>Total</b>	<b>2,037</b>	<b>-</b>	<b>36</b>	<b>2,073</b>	<b>2,073</b>	<b>-</b>	<b>100.0%</b>	<b>1,978</b>	<b>2,000</b>

# APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

Programme 1: ADMINISTRATION									
2022/23							2021/22		
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Budget %	Final Budget R'000	Actual expenditure R'000
<b>Sub programme</b>									
Office of the MEC	12,031	(3,494)	(628)	7,909	6,558	1,351	82.9%	5,306	4,706
Corporate Management Services	168,194	(11,582)	592	157,204	146,384	10,820	93.1%	159,799	152,467
District Management	203,483	(4,183)	-	199,300	198,196	1,104	99.4%	210,321	209,731
<b>Total for sub programmes</b>	<b>383,708</b>	<b>(19,259)</b>	<b>(36)</b>	<b>364,413</b>	<b>351,138</b>	<b>13,275</b>	<b>96.4%</b>	<b>375,426</b>	<b>366,904</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>355,606</b>	<b>(20,300)</b>	<b>(7,336)</b>	<b>327,970</b>	<b>323,175</b>	<b>4,795</b>	<b>98.5%</b>	<b>355,198</b>	<b>345,901</b>
Compensation of employees	214,344	(8,000)	(36)	206,308	205,559	749	99.6%	211,572	205,709
Goods and services	141,262	(12,300)	(7,300)	121,662	117,612	4,050	96.7%	143,626	140,176
<b>Transfers and subsidies</b>	<b>4,710</b>	<b>(1,854)</b>	<b>7,300</b>	<b>10,156</b>	<b>10,046</b>	<b>110</b>	<b>98.9%</b>	<b>2,768</b>	<b>7,696</b>
Provinces and municipalities	436	-	-	436	272	164	62.4%	375	206
Departmental agencies and accounts	-	-	7,300	7,300	7,284	16	99.8%	-	-
Households	4,274	(1,854)	-	2,420	2,490	(70)	102.9%	2,393	7,490
<b>Payments for capital assets</b>	<b>23,392</b>	<b>2,895</b>	<b>-</b>	<b>26,287</b>	<b>17,917</b>	<b>8,370</b>	<b>68.2%</b>	<b>17,460</b>	<b>13,307</b>
Buildings and other fixed structures	17,650	(5,622)	-	12,028	9,289	2,739	77.2%	13,808	8,485
Machinery and equipment	5,742	8,517	-	14,259	8,628	5,631	60.5%	3,652	4,822
Heritage assets									
<b>Total</b>	<b>383,708</b>	<b>(19,259)</b>	<b>(36)</b>	<b>364,413</b>	<b>351,138</b>	<b>13,275</b>	<b>96.4%</b>	<b>375,426</b>	<b>366,904</b>

**APPROPRIATION STATEMENT FOR THE YEAR ENDED  
31 MARCH 2023**

Annual Report (AR) for 2022/23 Financial Year  
Vote 12: Department of Social Development  
Province of Limpopo

Programme 2: SOCIAL WELFARE SERVICES									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
Management and Support	49,562	2,887	-	52,449	45,808	6,641	87.3%	46,573	44,971
Services to Older Persons	144,984	4,763	-	149,747	152,205	(2,458)	101.6%	162,809	159,014
Services to Older Persons with Disabilities	152,981	2,379	-	155,360	159,840	(4,480)	102.9%	162,900	159,639
HIV and AIDS	113,914	(2,412)	-	111,502	110,184	1,318	98.8%	101,596	98,842
Social Relief	1,346	(312)	-	1,034	839	195	81.1%	884	693
<b>Total for sub programmes</b>	<b>462,787</b>	<b>7,305</b>	<b>-</b>	<b>470,092</b>	<b>468,876</b>	<b>1,216</b>	<b>99.7%</b>	<b>474,762</b>	<b>463,159</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>360,715</b>	<b>20,149</b>	<b>-</b>	<b>380,864</b>	<b>380,242</b>	<b>622</b>	<b>99.8%</b>	<b>393,249</b>	<b>398,110</b>
Compensation of employees	301,766	13,061	-	314,827	311,126	3,701	98.8%	317,740	326,148
Goods and services	58,949	7,088	-	66,037	69,116	(3,079)	104.7%	75,509	71,962
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>101,836</b>	<b>(12,844)</b>	<b>-</b>	<b>88,992</b>	<b>83,846</b>	<b>5,146</b>	<b>94.2%</b>	<b>79,714</b>	<b>64,277</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	27
Non-profit institutions	100,609	(12,195)	-	88,414	83,305	5,109	94.2%	77,215	62,908
Households	1,227	(649)	-	578	541	37	93.6%	2,499	1,342
<b>Payments for capital assets</b>	<b>236</b>	<b>-</b>	<b>-</b>	<b>236</b>	<b>27</b>	<b>209</b>	<b>11.4%</b>	<b>1,799</b>	<b>772</b>
Machinery and equipment	236	-	-	236	27	209	11.4%	1,799	772
<b>Payments for financial assets</b>									
<b>Total</b>	<b>462,787</b>	<b>7,305</b>	<b>-</b>	<b>470,092</b>	<b>468,876</b>	<b>1,216</b>	<b>99.7%</b>	<b>474,762</b>	<b>463,159</b>

# APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

Programme 3: CHILDREN AND FAMILIES									
2022/23					2021/22				
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditure R'000
<b>Sub programme</b>									
Management and Support	20,344	2,417	-	22,761	23,369	(608)	102.7%	23,208	22,941
Care and Services to Families	106,065	(6,833)	-	99,232	98,427	805	99.2%	105,085	104,609
Child Care and Protection	148,842	(30,082)	-	118,760	118,772	(12)	100.0%	126,775	126,317
ECD and Partial Care	104,208	2,862	-	107,070	107,696	(626)	100.6%	509,798	465,864
Child and Youth Care Centres	144,284	14,348	-	158,632	155,929	2,703	98.3%	148,234	151,160
Community Based Care Services for Children	98,005	25,228	-	123,233	122,280	953	99.2%	109,527	106,222
<b>Total for sub programmes</b>	<b>621,748</b>	<b>7,940</b>	<b>-</b>	<b>629,688</b>	<b>626,473</b>	<b>3,215</b>	<b>99.5%</b>	<b>1,022,627</b>	<b>977,113</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>515,432</b>	<b>(8,719)</b>	<b>-</b>	<b>506,713</b>	<b>505,768</b>	<b>945</b>	<b>99.8%</b>	<b>547,847</b>	<b>549,897</b>
Compensation of employees	495,134	(8,800)	-	486,334	485,220	1,114	99.8%	517,743	515,849
Goods and services	20,298	81	-	20,379	20,548	(169)	100.8%	30,104	34,038
Interest and rent on land	-	-	-	-	-	-	-	-	10
<b>Transfers and subsidies</b>	<b>106,305</b>	<b>16,659</b>	<b>-</b>	<b>122,964</b>	<b>120,705</b>	<b>2,259</b>	<b>98.2%</b>	<b>473,758</b>	<b>426,990</b>
Provinces and municipalities	-	-	-	-	10	(10)	-	-	-
Non-profit institutions	105,524	16,219	-	121,743	119,479	2,264	98.1%	472,379	425,757
Households	781	440	-	1,221	1,216	5	99.6%	1,379	1,233
<b>Payments for capital assets</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>1,022</b>	<b>226</b>
Machinery and equipment	11	-	-	11	-	11	-	1,022	226
<b>Total</b>	<b>621,748</b>	<b>7,940</b>	<b>-</b>	<b>629,688</b>	<b>626,473</b>	<b>3,215</b>	<b>99.5%</b>	<b>1,022,627</b>	<b>977,113</b>



**APPROPRIATION STATEMENT FOR THE YEAR ENDED  
31 MARCH 2023**

Annual Report (AR) for 2022/23 Financial Year  
Vote 12: Department of Social Development  
Province of Limpopo

Programme 4: RESTORATIVE SERVICES									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
Management and Support	8,750	(1,410)	-	7,340	7,341	(1)	100.0%	8,468	7,751
Crime Prevention and Support	61,999	(4,960)	-	57,039	53,665	3,374	94.1%	61,244	63,811
Victim Empowerment	81,624	(2,339)	-	79,285	75,962	3,323	95.8%	71,221	66,181
Substance Abuse, Prevention and Rehabilitation	77,917	(11,882)	-	66,035	64,352	1,683	97.5%	66,162	64,309
<b>Total for sub programmes</b>	<b>230,290</b>	<b>(20,591)</b>	<b>-</b>	<b>209,699</b>	<b>201,320</b>	<b>8,379</b>	<b>96.0%</b>	<b>207,095</b>	<b>202,052</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>195,574</b>	<b>(13,681)</b>	<b>-</b>	<b>181,893</b>	<b>175,053</b>	<b>6,840</b>	<b>96.2%</b>	<b>179,355</b>	<b>171,285</b>
Compensation of employees	157,259	(12,000)	-	145,259	143,866	1,393	99.0%	154,684	151,995
Goods and services	38,315	(1,681)	-	36,634	31,186	5,448	85.1%	24,671	19,288
Interest and rent on land	-	-	-	-	1	(1)	-	-	2
<b>Transfers and subsidies</b>	<b>25,942</b>	<b>(4,015)</b>	<b>-</b>	<b>21,927</b>	<b>21,521</b>	<b>406</b>	<b>98.1%</b>	<b>26,620</b>	<b>22,384</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	23
Non-profit institutions	25,613	(4,024)	-	21,589	21,184	405	98.1%	24,136	21,635
Households	329	9	-	338	337	1	99.7%	2,484	726
<b>Payments for capital assets</b>	<b>8,774</b>	<b>(2,895)</b>	<b>-</b>	<b>5,879</b>	<b>4,746</b>	<b>1,133</b>	<b>80.7%</b>	<b>1,120</b>	<b>385</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	8,774	(2,895)	-	5,879	4,746	1,133	80.7%	1,120	385
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,998</b>
<b>Total</b>	<b>230,290</b>	<b>(20,591)</b>	<b>-</b>	<b>209,699</b>	<b>201,320</b>	<b>8,379</b>	<b>96.0%</b>	<b>207,095</b>	<b>202,052</b>

# APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

Programme 5: DEVELOPMENT AND RESEARCH									
2022/23							2021/22		
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditure R'000
<b>Sub programme</b>									
Management and Support	136,123	28,529	-	164,652	165,009	(357)	100.2%	159,332	167,317
Community Mobilisation	500	-	-	500	336	164	67.2%	1,556	600
Institutional Capacity Building and Support	16,782	(2,491)	-	14,291	13,807	484	96.6%	16,107	13,558
Poverty Alleviation and Sustainable Livelihoods	29,104	(1,668)	-	27,436	25,429	2,007	92.7%	24,510	23,243
Community Based Research and Planning	2,353	(232)	-	2,121	2,116	5	99.8%	2,092	1,242
Youth Development	11,004	337	-	11,341	11,309	32	99.7%	13,873	11,418
Women Development	6,852	180	-	7,032	7,079	(47)	100.7%	4,677	3,752
Population Policy Promotion	4,054	(50)	-	4,004	3,970	34	99.2%	4,039	3,303
<b>Total for sub programmes</b>	<b>206,772</b>	<b>24,605</b>	<b>-</b>	<b>231,377</b>	<b>229,055</b>	<b>2,322</b>	<b>99.0%</b>	<b>226,186</b>	<b>224,433</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>172,578</b>	<b>22,551</b>	<b>-</b>	<b>195,129</b>	<b>194,803</b>	<b>326</b>	<b>99.8%</b>	<b>189,843</b>	<b>188,786</b>
Compensation of employees	145,279	15,739	-	161,018	165,798	(4,780)	103.0%	171,644	173,279
Goods and services	27,299	6,812	-	34,111	29,005	5,106	85.0%	18,199	15,507
<b>Transfers and subsidies</b>	<b>32,282</b>	<b>2,054</b>	<b>-</b>	<b>34,336</b>	<b>32,482</b>	<b>1,854</b>	<b>94.6%</b>	<b>36,268</b>	<b>35,607</b>
Non-profit institutions	32,282	-	-	32,282	30,493	1,789	94.5%	34,015	33,179
Households	-	2,054	-	2,054	1,989	65	96.8%	2,253	2,428
<b>Payments for capital assets</b>	<b>1,912</b>	<b>-</b>	<b>-</b>	<b>1,912</b>	<b>1,770</b>	<b>142</b>	<b>92.6%</b>	<b>75</b>	<b>40</b>
Machinery and equipment	1,912	-	-	1,912	1,770	142	92.6%	75	40
<b>Total</b>	<b>206,772</b>	<b>24,605</b>	<b>-</b>	<b>231,377</b>	<b>229,055</b>	<b>2,322</b>	<b>99.0%</b>	<b>226,186</b>	<b>224,433</b>

## NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

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

	2023	2022
Details	254,461	543,479

### 2. Explanations of material variances from Amounts Voted (after Virement):

#### 2.1 Per programme

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Administration	366,486	353,211	13,275	4%

The variance is due to budget reprioritisation as a result of inadequate funding for CoE of which funding was received during adjustment to cater key accounts and contractual obligations within Goods and services and CAPEX.

Social Welfare Services	470,092	468,876	1,216	0%
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The Variance is due to underspending on payment to non-profit organisations as a result of noncompliance e.g. CSD

Children and Families	629,688	626,473	3,215	1%
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The variance is due to delay in payment transfers to NPIs as a result of non-compliance e.g. CSD

Restorative Services	209,699	201,320	8,379	4%
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The variance is due to delays in procurement processes for training, within goods and services and machinery and equipment on delay in delivery of tools of trade.

Development and Support Services	231,377	229,055	2,322	1%
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The variance is due delay in implementation of adjustment budget for key accounts resultant from budget reprioritisation to fund CoE per headcount cost.

## NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

### 2.2 Per economic classification

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
<b>Current payments</b>				
Compensation of employees	1,315,819	1,313,642	2,177	0%
Goods and services	278,823	267,467	11,356	4%
<b>Transfers and subsidies</b>				
Provinces and municipalities	436	282	154	35%
Departmental agencies and accounts	7,300	-	7,300	0%
Non-profit institutions	264,028	254,461	9,567	4%
Households	6,611	6,573	38	1%
<b>Payments for capital assets</b>				
Buildings and other fixed structures	12,028	9,289	2,739	23%
Machinery and equipment	22,297	15,171	7,126	32%
<b>Payments for financial assets</b>		4,761	(4,761)	

The Department has deviated due to delay in implementation of 2022/23 adjustment budget for funding of key accounts and contractual obligations, unpaid non-profit organisations transfer due to non-compliance (CSD) and delay in submission of final accounts for completed capital projects.

### 2.3 Per conditional grant

Conditional grant	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
	R'000	R'000	R'000	%
EPWP Grant	2,570	2,371	199	8%
SOC SEC EPWP Incentive Grant	7,865	7,862	3	0%
<b>Total</b>				

The Department has deviated due to termination by EPWP workers.

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2023

	Note	2022/23 R'000	2021/22 R'000
<b>REVENUE</b>			
Annual appropriation	1	1,905,269	2,306,096
Statutory appropriation	2	2,073	1,978
Departmental revenue	3	13,816	6,704
<b>TOTAL REVENUE</b>		<b>1,921,158</b>	<b>2,314,778</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>		<b>1,581,114</b>	<b>1,655,979</b>
Compensation of employees	4	1,313,642	1,374,980
Goods and services	5	267,467	280,971
Interest and rent on land	6	5	28
<b>Transfers and subsidies</b>		<b>268,600</b>	<b>556,954</b>
Transfers and subsidies	7	268,600	556,954
<b>Expenditure for capital assets</b>		<b>24,460</b>	<b>14,730</b>
Tangible assets	8	24,460	14,730
Unauthorised expenditure approved without funding			
<b>Payments for financial assets</b>	9	4,761	7,998
<b>TOTAL EXPENDITURE</b>		<b>1,878,935</b>	<b>2,235,661</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>42,223</b>	<b>79,117</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		<b>28,407</b>	<b>72,413</b>
Annual appropriation		28,205	28,917
Statutory appropriation			-22
Conditional grants		202	43,518
Departmental revenue and NRF receipts	13	13,816	6,704
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>42,223</b>	<b>79,117</b>

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2022/23 R'000	2021/22 R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>36,711</b>	<b>87,751</b>
Cash and cash equivalents	10	7,806	56,209
Prepayments and advances	11	13,192	13,192
Receivables	12	15,713	18,350
<b>Non-current assets</b>		<b>789</b>	<b>585</b>
Receivables	12	789	585
<b>TOTAL ASSETS</b>		<b>37,500</b>	<b>88,336</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>28,801</b>	<b>76,101</b>
Voted funds to be surrendered to the Revenue Fund	13	24,014	67,320
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	4,361	173
Payables	15	426	8,608
<b>TOTAL LIABILITIES</b>		<b>28,801</b>	<b>76,101</b>
<b>NET ASSETS</b>		<b>8,699</b>	<b>12,235</b>

	Note	2022/23 R'000	2021/22 R'000
<b>Represented by:</b>			
Recoverable revenue		8,699	12,235
<b>TOTAL</b>		<b>8,699</b>	<b>12,235</b>



## STATEMENT OF CHANGES IN NET ASSETS AS AT 31 MARCH 2023

	Note	2022/23 R'000	2021/22 R'000
<b>Recoverable revenue</b>			
Opening balance		12,235	10,755
Transfers:		<b>-3,536</b>	<b>1,480</b>
Irrecoverable amounts written off	7.1	-4,041	-58
Debts recovered (included in departmental revenue)		-135	-218
Debts raised		640	1,756
Closing balance		<b>8,699</b>	<b>12,235</b>
<b>TOTAL</b>		<b>8,699</b>	<b>12,235</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

	Note	2022/23 R'000	2021/22 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		1,918,787	2,314,684
Annual appropriation funds received	1.1	1,905,969	2,306,096
Statutory appropriation funds received	2	2,073	1,978
Departmental revenue received	3	10,745	6,610
Net (increase)/decrease in net working capital		(5,545)	9,594
Surrendered to Revenue Fund		(82,041)	(90,562)
Current payments		(1,581,109)	(1,655,951)
Interest paid	6	(5)	(28)
Payments for financial assets		(4,761)	(7,998)
Transfers and subsidies paid		(268,600)	(556,954)
<b>Net cash flow available from operating activities</b>	<b>16</b>	<b>(23,274)</b>	<b>12,785</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(24,460)	(14,730)
Proceeds from sale of capital assets	3.2	3,071	94
(Increase)/decrease in non-current receivables	12	(204)	(540)
<b>Net cash flow available from investing activities</b>		<b>(21,593)</b>	<b>(15,176)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		(3,536)	1,480
<b>Net cash flows from financing activities</b>		<b>(3,536)</b>	<b>1,480</b>
Net increase/(decrease) in cash and cash equivalents		(48,403)	(911)
Cash and cash equivalents at beginning of period		56,209	57,120
<b>Cash and cash equivalents at end of period</b>	<b>17</b>	<b>7,806</b>	<b>56,209</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

#### 1. Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

#### 2. Going concern

The financial statements have been on a going concern basis.

#### 3. Presentation currency

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

#### 4. Rounding

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

#### 5. Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.

#### 6. Comparative information

##### 6.1 Prior period comparative information

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	<p>Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.</p>
<b>6.2</b>	<p><b>Current year comparison with budget</b></p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
<b>7.</b>	<p><b>Revenue</b></p>
<b>7.1</b>	<p><b>Appropriated funds</b></p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>Appropriated funds are measured at the amounts receivable.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>
<b>7.2</b>	<p><b>Departmental revenue</b></p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Departmental revenue is measured at the cash amount received.</p> <p>In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
<b>7.3</b>	<p><b>Accrued departmental revenue</b></p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	<ul style="list-style-type: none"> <li>it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy.</p>
<b>8.</b>	<b>Expenditure</b>
<b>8.1</b>	<b>Compensation of employees</b>
<b>8.1.1</b>	<b>Salaries and wages</b>
	Salaries and wages are recognised in the statement of financial performance on the date of payment.
<b>8.1.2</b>	<b>Social contributions</b>
	<p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
<b>8.2</b>	<b>Other expenditure</b>
	<p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p> <p>Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.</p>
<b>8.3</b>	<b>Accruals and payables not recognised</b>
	Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.
<b>8.4</b>	<b>Leases</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

8.4.1	<p><b>Operating leases</b></p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	<p><b>Finance leases</b></p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p>
	<p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> <li>• cost, being the fair value of the asset; or</li> <li>• the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul>
9.	<p><b>Cash and cash equivalents</b></p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>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.</p>
10.	<p><b>Prepayments and advances</b></p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p>NPIs earns Prepayments when they submit their claims.</p>
11.	<p><b>Loans and receivables</b></p>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
<b>12.</b>	<b>Financial assets</b>
<b>12.1</b>	<p><b>Financial assets (not covered elsewhere)</b></p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
<b>12.2</b>	<p><b>Impairment of financial assets</b></p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
<b>13.</b>	<p><b>Payables</b></p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
<b>14.</b>	<b>Capital assets</b>
<b>14.1</b>	<p><b>Immovable capital assets</b></p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
<b>14.2</b>	<p><b>Movable capital assets</b></p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	<p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
<b>14.3</b>	<p><b>Intangible capital assets</b></p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
<b>14.4</b>	<p><b>Project costs: Work-in-progress</b></p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

<b>15.</b>	<b>Provisions and contingents</b>
<b>15.1</b>	<p><b>Provisions</b></p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
<b>15.2</b>	<p><b>Contingent liabilities</b></p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
<b>15.3</b>	<p><b>Contingent assets</b></p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
<b>15.4</b>	<p><b>Capital commitments</b></p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
<b>16.</b>	<p><b>Unauthorised expenditure</b></p> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p> <p>Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:</p> <ul style="list-style-type: none"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure recorded in the notes to the financial statements comprise of</p>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	<ul style="list-style-type: none"> <li>unauthorised expenditure that was under assessment in the previous financial year;</li> <li>unauthorised expenditure relating to previous financial year and identified in the current year; and</li> <li>Unauthorised incurred in the current year.</li> </ul>
<b>17.</b>	<p><b>Fruitless and wasteful expenditure</b></p> <p>Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of .</p> <ul style="list-style-type: none"> <li>fruitless and wasteful expenditure that was under assessment in the previous financial year;</li> <li>fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and</li> <li>fruitless and wasteful expenditure incurred in the current year.</li> </ul>
<b>18.</b>	<p><b>Irregular expenditure</b></p> <p>Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.</p> <p>Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:</p> <ul style="list-style-type: none"> <li>irregular expenditure that was under assessment in the previous financial year;</li> <li>irregular expenditure relating to previous financial year and identified in the current year; and</li> <li>irregular expenditure incurred in the current year.</li> </ul>
<b>19.</b>	<p><b>Changes in accounting estimates and errors</b></p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall</p>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
<b>20.</b>	<p><b>Events after the reporting date</b></p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
<b>21.</b>	<p><b>Principal-Agent arrangements</b></p> <p>The department is party to a principal-agent arrangement for <i>[include details here]</i>. In terms of the arrangement the department is the <i>[principal / agent]</i> and is responsible for <i>[include details here]</i>. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
<b>22.</b>	<p><b>Recoverable revenue</b></p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
<b>23.</b>	<p><b>Related party transactions</b></p> <p>Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p>
<b>24.</b>	<p><b>Inventories</b></p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

<b>25.</b>	<b>Employee benefits</b> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note.</p> <p>Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.</p> <p>The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
<b>26.</b>	<b>Transfer of functions</b> <p>Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.</p> <p>Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.</p>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 1. Annual Appropriation

#### 1.1. Annual Appropriation

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

	2022/23			2021/22		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropriation Received	Funds not requested / not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
Administration	364,413	365,113	-700	375,426	375,426	-
Social Welfare Services	470,092	470,092	-	474,762	474,762	-
Children and Families	629,688	629,688	-	1,022,627	1,022,627	-
Restorative Services	209,699	209,699	-	207,095	207,095	-
Development and Research	231,377	231,377	-	226,186	226,186	-
<b>Total</b>	<b>1,905,269</b>	<b>1,905,969</b>	<b>-700</b>	<b>2,306,096</b>	<b>2,306,096</b>	<b>-</b>

The department equitable share allocations was over transferred by an amount of R700 thousand. The funds not spent will be subsequently surrendered to the Provincial Treasury including the over transfer of R700 thousand.

#### 1.2. Conditional grants

	Note	2022/23 R'000	2021/22 R'000
Total grants received	32	10,435	225,543
<b>Provincial grants included in total grants received</b>		<b>10,435</b>	<b>225,543</b>

The significant decline on conditional grant is due to the transfer of ECD functions from department of Social Development to Department of Education.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 2. Statutory Appropriation

	Note	2022/23 R'000	2021/22 R'000
Members' remuneration		2,073	1,978
<b>Total</b>		<b>2,073</b>	<b>1,978</b>
<b>Actual Statutory Appropriation received</b>		<b>2,073</b>	<b>1,978</b>

The statutory allocation has increased by R59 thousand during the year under review. The R36 thousand was adjusted to defray the over expenditure on the statutory due to salary adjustment for 2021/22 financial year arrears.

### 3.

Departmental revenue	Note	2022/23 R'000	2021/22 R'000
Tax revenue			
Sales of goods and services other than capital assets	3.1	2,189	1,903
Sales of capital assets	3.2	3,071	94
Transactions in financial assets and liabilities	3.3	8,556	4,707
<b>Total revenue collected</b>		<b>13,816</b>	<b>6,704</b>
Less: Own revenue included in appropriation			-
<b>Total</b>		<b>13,816</b>	<b>6,704</b>

The increase in sale of capital assets is due to auction done by the department, payments made by SASSA for shared services and the write off of NPI debtors.

#### 3.1. Sales of goods and services other than capital assets

	Note	2022/23 R'000	2021/22 R'000
Sales of goods and services produced by the department		2,189	1,903
Sales by market establishment		838	472
Other sales		1,351	1,431
<b>Total</b>	<b>3</b>	<b>2,189</b>	<b>1,903</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 3.2. Sales of capital assets

	Note	2022/23 R'000	2021/22 R'000
<b>Tangible capital assets</b>		<b>3,071</b>	<b>94</b>
Machinery and equipment		3,071	94
		-	-
<b>Total</b>	<b>3</b>	<b>3,071</b>	<b>94</b>

The increase in sale of capital assets is due to auction done by the department

### 3.3. Transactions in financial assets and liabilities

	Note	2022/23 R'000	2021/22 R'000
Other receipts including Recoverable Revenue		8,556	4,707
<b>Total</b>	<b>3</b>	<b>8,556</b>	<b>4,707</b>

The increase is due to payments made by SASSA for shared services and the write off of NPI debtors

#### 3.3.1. Donations received in-kind (not included in the main note or sub note)

	Note	2022/23 R'000	2021/22 R'000
<i>List in-kind donations received</i>			
Jica Computer equipment		-	66
Jica Other Machinery and equipment		-	6
Vodacom Minor assets		-	122
Church of Mission for Christ Centre (Plasma tv)		6	-
Muthathe Building Construction(beds)		150	-
<b>Total</b>		<b>156</b>	<b>194</b>

The department received two plasma Tv from Church of Mission for Christ Centre and 60 beds from Muthathe Building Construction.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 4. Compensation of employees

#### 4.1. Analysis of balance

	Note	2022/23 R'000	2021/22 R'000
Basic salary		894,328	938,475
Performance award		1,298	6,203
Service based		643	665
Compensative/circumstantial		5,927	15,425
Periodic payments		244	120
Other non-pensionable allowances		194,317	195,124
<b>Total</b>		<b>1,096,757</b>	<b>1,156,012</b>

Department of social Development incurred expenditure of R15,4 million on Compensative /Circumstantial services in 2022. At the end of the financial year, the department erroneously classified this expenditure as Other non- Pensionable Allowances. it was determined that the expenditure was in fact Compensative /Circumstantial and not Other non- Pensionable Allowances.

Department of social Development incurred expenditure of R57 thousands on Other non- Pensionable Allowances services in 2022. At the end of the financial year, the department erroneously classified this expenditure as Compensative /Circumstantial. it was determined that the expenditure was in fact Other non- Pensionable Allowances not Compensative /Circumstantial.

The decline in compensation of employees is because of transfer of personnel from Department of Social Development to Department of Education, and the payment of once off accelerated grade progression.

#### 4.2. Social contributions

<b>Employer contributions</b>	Note	2022/23 R'000	2021/22 R'000
Pension		116,266	121,705
Medical		97,490	93,893
UIF		85	73
Bargaining council		225	233
Official unions and associations		-	-
Insurance		2,819	3,064
<b>Total</b>		<b>216,885</b>	<b>218,968</b>
<b>Total compensation of employees</b>		<b>1,313,642</b>	<b>1,374,980</b>
<b>Average number of employees</b>		<b>2,903</b>	<b>3,013</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The reduction in average number of employees is due to natural attrition.

### 5. Goods and services

	Note	2022/23 R'000	2021/22 R'000
Administrative fees		38	1
Advertising		1,177	1,557
Minor assets	5.1	491	612
Catering		2,681	576
Communication		4,869	4,950
Computer services	5.2	13,702	13,142
Consultants: Business and advisory services	5.9	50	21
Legal services		31	45
Contractors		506	596
Agency and support / outsourced services		68,882	70,338
Audit cost - external	5.3	8,327	7,913
Fleet services		17,804	13,895
Inventories	5.4	13,838	16,562
Consumables	5.5	6,693	6,951
Operating leases		889	367
Property payments	5.6	87,982	120,713
Rental and hiring		348	60
Transport provided as part of the departmental activities		384	-
Travel and subsistence	5.7	35,944	21,481
Venues and facilities		1,404	265
Training and development		893	450
Other operating expenditure	5.8	534	476
<b>Total</b>		<b>267,467</b>	<b>280,971</b>

The majority of maintenance projects for the one stop centres achieved practical completion during prior year and only a few were completed in the current year hence the significant decline.

### 5.1. Minor assets

	Note	2022/23 R'000	2021/22 R'000
<b>Tangible capital assets</b>		<b>491</b>	<b>612</b>
Machinery and equipment		491	612
<b>Total</b>	5	<b>491</b>	<b>612</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 5.2. Computer services

	Note	2022/23 R'000	2021/22 R'000
SITA computer services		13,702	13,142
External computer service providers			
<b>Total</b>	<b>5</b>	<b>13,702</b>	<b>13,142</b>

### 5.3. Audit cost - external

	Note	2022/23 R'000	2021/22 R'000
Regularity audits		8,327	7,913
<b>Total</b>	<b>5</b>	<b>8,327</b>	<b>7,913</b>

### 5.4. Inventories

	Note	2022/23 R'000	2021/22 R'000
Clothing material and accessories		1,210	2,881
Farming supplies		1,884	70
Food and food supplies		6,572	9,480
Fuel, oil and gas		1,018	399
Materials and supplies		3,154	3,732
<b>Total</b>	<b>5</b>	<b>13,838</b>	<b>16,562</b>

Delays in awarding contract for school uniform and food parcel.

### 5.5. Consumables

	Note	2022/23 R'000	2021/22 R'000
Consumable supplies		2,571	2,778
Uniform and clothing		492	890
Household supplies		1,454	325
Building material and supplies		25	-



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

IT consumables		286	213
Other consumables		314	1,350
Stationery, printing and office supplies		4,122	4,173
<b>Total</b>	<b>6</b>	<b>6,693</b>	<b>6,951</b>

### 5.6. Property payments

	Note	2022/23 R'000	2021/22 R'000
Municipal services		1,723	2,905
Property maintenance and repairs		9,705	42,331
Other		76,554	75,477
<b>Total</b>	<b>5</b>	<b>87,982</b>	<b>120,713</b>

The majority of maintenance projects for the one stop centres achieved practical completion during prior year and only a few were completed in the current year hence the significant decline.

### 5.7. Travel and subsistence

	Note	2022/23 R'000	2021/22 R'000
Local		35,944	21,481
Foreign			
<b>Total</b>	<b>5</b>	<b>35,944</b>	<b>21,481</b>

The lifting of covid restrictions allowed officials to conduct their meeting in contacts functions and camping, i.e., world population day, world AIDs Day. The additions of some officials on scheme B.

### 5.8. Other operating expenditure

	Note	2022/23 R'000	2021/22 R'000
Professional bodies, membership and subscription fees			
Resettlement costs		234	24
Other		300	452
<b>Total</b>	<b>5</b>	<b>534</b>	<b>476</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Department of social Development incurred expenditure of R24 thousands on resettlement cost in 2022. At the end of the financial year, the department erroneously classified this expenditure as Other operating expenditure. It was determined that the expenditure was in fact resettlement cost and not Other operating expenditure.

### 5.9. Remuneration of members of a commission or committee of inquiry (Included in Consultants: Business and advisory services)

Name of Commission / Committee of Inquiry	Note 5	2022/23 R'000	2021/22 R'000
Risk management committee (14 members)		263	158
<b>Total</b>		<b>263</b>	<b>158</b>

Risk management committee is chaired by an external person and is the only member remunerated by the department. The department is using shared services in relation to audit committee and internal audit.

### 6. Interest and rent on land

	Note	2022/23 R'000	2021/22 R'000
Interest paid		5	28
Rent on land			
<b>Total</b>	<b>5</b>	<b>5</b>	<b>28</b>

The interest paid on overdue accounts.

### 7. Payments for financial assets

	Note	2022/23 R'000	2021/22 R'000
Material losses through criminal conduct		-	7,940
Theft	7.2	-	7,940
Debts written off	7.1	4,761	58
<b>Total</b>		<b>4,761</b>	<b>7,998</b>

The department wrote off irrecoverable NPO debts

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 7.1. Debts written off

Nature of debts written off	Note	2022/23 R'000	2021/22 R'000
<b>Group major categories</b>			
NPO		4,761	15
Staff debt		-	43
<b>Total</b>		<b>4,761</b>	<b>58</b>
<b>Total debt written off</b>	<b>7</b>	<b>4,761</b>	<b>58</b>

The department wrote off irrecoverable NPO debts.

### 7.2. Details of theft

Nature of theft	Note	2022/23 R'000	2021/22 R'000
<b>Group major categories</b>			
2007 cash heist relating to social grant.		-	7,940
<b>Total</b>	<b>7</b>	<b>-</b>	<b>7,940</b>

### 8. Transfers and subsidies

	Note	2022/23 R'000	2021/22 R'000
Provinces and municipalities	33, Annexure 1A	282	256
Departmental agencies and accounts	Annex 1B	7,284	-
Non-profit institutions	Annex 1F	254,461	543,480
Households	Annex 1G	6,573	13,218
<b>Total</b>		<b>268,600</b>	<b>556,954</b>

The number of attritions in the year 2021/2022 were more as compared to 2022/2023 financial year

The actual amount spent of the departmental agency and accounts relate to Skills levy owed to health and welfare Sita for prior years.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 9. Expenditure for capital assets

	Note	2022/23 R'000	2021/22 R'000
<b>Tangible capital assets</b>		<b>24,460</b>	<b>14,730</b>
Buildings and other fixed structures	29	9,289	8,485
Machinery and equipment	27	15,171	6,245
<b>Total</b>		<b>24,460</b>	<b>14,730</b>

#### 9.1. Analysis of funds utilised to acquire capital assets - Current year

	2022/23		
Name of entity	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible capital assets</b>	24,460	-	24,460
Buildings and other fixed structures	9,289		9,289
Machinery and equipment	15,171		15,171
<b>Total</b>	<b>24,460</b>		<b>24,460</b>

#### 9.2. Analysis of funds utilised to acquire capital assets - Prior year

	2021/22		
Name of entity	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible capital assets</b>	<b>14,730</b>		<b>14,730</b>
Buildings and other fixed structures	8,485		8,485
Machinery and equipment	6,245		6,245
<b>Total</b>	<b>14,730</b>		<b>14,730</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 9.3. Finance lease expenditure included in Expenditure for capital assets

	Note	2022/23 R'000	2021/22 R'000
<b>Tangible capital assets</b>			
Machinery and equipment		5,625	5,625
<b>Total</b>	9	<b>5,625</b>	<b>5,625</b>

The new mobile communication contracts were implemented, and the Department contracted additional labour serving device.

### 10. Cash and cash equivalents

	Note	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General Account		14,106	60,912
Disbursements		-6,300	-4,703
<b>Total</b>		<b>7,806</b>	<b>56,209</b>

The significant decline is due to transfer of ECD Function from Department of Social Development to Department of Education. He department underspent the allocation for ECD Stimulus Relief by R43.615 million. The department submitted a request for roll over and received the approval for the Provincial Treasury. The amount was however rolled over to the department of Education during the budget adjustment.

### 11. Prepayments and advances

	Note	2022/23 R'000	2021/22 R'000
Advances paid (Not expensed)	11.1	13,192	13,192
SOCPEN advances			
<b>Total</b>		<b>13,192</b>	<b>13,192</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### Analysis of Total Prepayments and advances

Current Prepayments and advances	13,192	13,192
<b>Total</b>	<b>13,192</b>	<b>13,192</b>

The balance relates to R13 million advanced to Independent Development Trust (IDT) for the construction of Seshego Treatment Centre which was utilized without authorization the matter has been referred to the Minister Of Public Works.

### 11.1. Advances paid (Not expensed)

		2022/23				
		Amount as at 1 April 2022	Less: Amounts expense d in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2023
	Note	R'000	R'000	R'000	R'000	R'000
National departments						
Provincial departments						
Public entities		13,192				13,192
Other entities						
<b>Total</b>	<b>11</b>	<b>13,192</b>				<b>13,192</b>

The balance relates to R13 million advanced to Independent Development Trust (IDT) for the construction of Seshego Treatment Centre which was utilized without authorization the matter has been referred to the Minister of Public Works.

		2021/22				
		Amount as at 1 April 2021	Less: Amounts expense d in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2022
	Note	R'000	R'000	R'000	R'000	R'000
National departments						
Public entities		13,192				13,192
Other entities						
<b>Total</b>	<b>11</b>	<b>13,192</b>				<b>13,192</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The balance relates to R13 million advanced to Independent Development Trust (IDT) for the construction of Seshego Treatment Centre which was utilized without authorization the matter has been referred to the Minister of Public Works.

### 12. Receivables

	Note	2022/23			2021/22		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	12.1	3,397		3,397	4,839	-	4,839
Recoverable expenditure	12.2	3,032		3,032	-	-	-
Staff debt	12.3	1,795	163	1,958	1,451	23	1,474
Other receivables	12.4	7,489	626	8,115	12,060	562	12,622
<b>Total</b>		<b>15,713</b>	<b>789</b>	<b>16,502</b>	<b>18,350</b>	<b>585</b>	<b>18,935</b>

Adjustment of 12 relate to fruitless and wasteful expenditure prior year because of change in template (accounting policy)

The figures disclosed on this note relate to R1.9 million staff debts Current assets,

R163 thousands noncurrent assets,

Other receivable is comprised of R7.4 million current assets, R626thousands noncurrent assets.

Claims recoverable R1.6 million relate to claim to department of Education for receivables NPI, and R104 thousand which relate to outstanding amount owed by SASSA for prior year short payments.

#### 12.1. Claims recoverable

	Note	2022/23 R'000	2021/22 R'000
National departments			
Provincial departments		1,650	104
Public entities		338	338
Private enterprises		1,409	4,397
<b>Total</b>	<b>12</b>	<b>3,397</b>	<b>4,839</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The department reclassified the value R4.3 million related to Non-profit organization Receivables from private enterprise to Households and non - profit institutions since the figure belongs to NPI. The amount of R338 thousand relate to and unauthorised debit order made by MTN against the department PMG `s account which was paid in April 2023 by MTN. Claims recoverable R1.6 million relate to claim to department of Education for receivables NPI, and R104 thousand which relate to outstanding amount owed by SASSA for prior year short payments.

### 12.2. Recoverable expenditure

	Note	2022/23 R'000	2021/22 R'000
<i>Group major categories, but list material items</i>			
Sal Tax Debt		1	
Sal Medical Aid :CI		17	
Payable Adv:P		1,893	
Sal reversal		1,121	
<b>Total</b>	<b>12</b>	<b>3,032</b>	

The receivables relate to amount owed to the department by officials who resigned, retired and transferred.

### 12.3. Staff debt

	Note	2022/23 R'000	2021/22 R'000
Staff Debts		1,958	1,474
<b>Total</b>	<b>12</b>	<b>1,958</b>	<b>1,474</b>

The figures disclosed on this note relate to R1.7 million staff debts Current assets, R163 thousands noncurrent assets

### 12.4. Other receivables

	Note	2022/23 R'000	2021/22 R'000
<b>Group major categories</b>			
Fruitless and wasteful expenditure		2	12
NPO		484	5,244

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Bursary defaulters		7,629	7,366
<b>Total</b>	<b>12</b>	<b>8,115</b>	<b>12,622</b>

Adjustment of 12 relate to fruitless and wasteful expenditure prior year as a result of change in template (accounting policy). Included in the balance for other receivables is R 484 NPI debtors that exited the system, R2 thousand for fruitless and wasteful expenditure, R6.8 million for bursary defaulters and R828 thousands for supplier debtors

### 12.5. Impairment of receivables

	Note	2022/23 R'000	2021/22 R'000
Estimate of impairment of receivables		21,190	10,842
<b>Total</b>		<b>21,190</b>	<b>10,842</b>

- ☐ The department assessment of debtors for possible impairment shall be based on the debtors Procedure Manual
- ☐ The significant financial difficulty experienced by debtor, delay in payment including interest payment or failure to pay or defaults.
- ☐ All deceased, retired, resign, dismiss, debtors where GEPP under paid departmental liability due to insufficient funds where the GEPP was unable to settle the outstanding balance within the period over three years.
- ☐ It is probable that the debtor will enter sequestration (bankruptcy or other financial reorganization.
- ☐ Debt due by officials who were transferred to other department who have fail to settle this amount within 3 years., all debtors whose debts were referred to state attorney for recovery whose recovery prove uncertain.
- ☐ The significant increase is as a result of the balance relate to R13 million advanced to Independent Development Trust (IDT) for the construction of Seshego Treatment Centre which was utilized without authorization the matter has been referred to the Minister of Public Works.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 13. Voted funds to be surrendered to the Revenue Fund

	Note	2022/23 R'000	2021/22 R'000
Opening balance		67,320	75,883
Prior period error			
As restated		67,320	75,883
Transferred from statement of financial performance (as restated)		28,407	72,413
Voted funds not requested/not received	1.1	700	-
Paid during the year		-72,413	-80,976
<b>Closing balance</b>		<b>24,014</b>	<b>67,320</b>

### 13.1. Reconciliation on unspent conditional grants

	Note	2022/23 R'000	2021/22 R'000
Total conditional grants received	1.2	10,435	225,543
Total conditional grants spent		-10,233	-182,025
Unspent conditional grants to be surrendered		202	43,518
Less: Paid to the Provincial Revenue Fund by Provincial department			-43,518
Approved for rollover			-43,518
Not approved for rollover			
<b>Due by the Provincial Revenue Fund</b>		<b>202</b>	<b>-</b>

### 14. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2022/23 R'000	2021/22 R'000
Opening balance		173	3,055
Prior period error			
As restated		173	3,055
Transferred from statement of financial performance (as restated)		13,816	6,704
Own revenue included in appropriation		-	-
Transfer from aid assistance	4		-
Paid during the year		-9,628	-9,586
<b>Closing balance</b>		<b>4,361</b>	<b>173</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The closing balance relate to revenue accruals and will be surrendered to revenue fund in the current year.

### 15. Payables - current

	Note	2022/23 R'000	2021/22 R'000
Amounts owing to other entities		54	8,298
Clearing accounts	15.1	372	-
Other payables	15.2	-	310
<b>Total</b>		<b>426</b>	<b>8,608</b>

The significance declines on amounts owing to other entities is due to the write off for Fidelity to the value of R7.9 million relating to prior year.

#### 15.1. Clearing accounts

Description	Note	2022/23 R'000	2021/22 R'000
<i>Identify major categories, but list material items</i>			
Sal gebs		225	-
Sal Income tax		134	-
Sal Pension		13	-
<b>Total</b>	15	<b>372</b>	<b>-</b>

The department of social development receives an amount of R225 thousands relate to Government Employee Housing Scheme which will eventually interface in the following month. The Department has made payments to employees after the second normal run of Persal, that caused the Sal Income Tax and Sal pension not to interface but it will eventually interface in the following months

#### 15.2. Other payables

Description	Note	2022/23 R'000	2021/22 R'000
<i>Identify major categories, but list material items</i>			
Sal Acb recall		-	310
<b>Total</b>	15	<b>-</b>	<b>310</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The department owed the official named Shilenge an amount of R4 thousand for subsidy. The department receives an amount of R17 thousand relate to Maribe bokamoso Creche which was deposited to social Development instead of Department of Education and the remaining amount of R16 thousands relate to Madivha k which will be paid in the new financial year.

### 16. Net cash flow available from operating activities

	Note	2022/23 R'000	2021/22 R'000
Net surplus/(deficit) as per Statement of Financial Performance		42,223	79,117
Add back non-cash/cash movements not deemed operating activities		-65,497	-66,332
(Increase)/decrease in receivables		2,637	10,366
Increase/(decrease) in payables - current		-8,182	-772
Proceeds from sale of capital assets		-3,071	-94
Expenditure on capital assets		24,460	14,730
Surrenders to RDP Fund/Donors		-82,041	-90,562
Voted funds not requested/not received		700	
<b>Net cash flow generating</b>		<b>-23,274</b>	<b>12,785</b>

### 17. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General account		14,106	60,912
Disbursements		(6,300)	(4,703)
<b>Total</b>		<b>7,806</b>	<b>56,209</b>

The significant decline on cash and cash equivalent is due to transfer of ECD Stimulus Package unspent fund was rolled over to Department of Education department underspent the allocation for ECD Stimulus Relief by R43.615 million. The department submitted a request for roll over and received the approval for the Provincial Treasury. The amount was however rolled over to the department of Education during the budget adjustment.

### 18. Contingent liabilities and contingent assets

#### 18.1. Contingent liabilities



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Liable to	Nature	Note	2022/23 R'000	2021/22 R'000
Housing loan guarantees	Employees	Annex 3A	-	257
Claims against the department		Annex 3B	537	453
Intergovernmental payables		Annex 5	193	915,848
Other		Annex 3B	-	-
<b>Total</b>			<b>730</b>	<b>916,558</b>

The significant decline on contingent assets is due to write off by department of Health for shared services.

The department has a shared service relationship with the department, Health at some of the institutions. The liability has been written off by department of Health the remaining amount relate to the recalculation made by Auditor General during 2018/19 financial year which led to an adjustment to the value of R1 million.

The Department of Health is accommodating some of the officials of social development at some of their institution (Clinics, Hospitals, Health care Centres and the level of the districts. The department of health pays for Physical Security, water, lights, telephone municipal rate and taxes and all these services are for free. The Provincial Treasury advised both Departments to discontinue with 80/20 methodology, in accordance with the request made by Provincial Treasury relating to prior year contingent liabilities LPT advised the department of Heath to write off the entire balance hence the adjustment of contingent liability on related party to zero. The department could not disclose the value of the shared services incurred by the Department of Health on our behalf due to the impracticability of sitting arrangements at these institutions.

### 18.2. Contingent assets

Nature of contingent asset	Note	2022/23 R'000	2021/22 R'000
Over payment- Ditirisano trading		324	324
Stolen computers at the project__Ermors trading		69	69
Vehicle Accidents districts		2,235	2,072
Overpayment of officials		125	-
Recalculated State Housing Rental		2,529	2,108
<b>Total</b>		<b>5,282</b>	<b>4,573</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The significant increase is due to incorrect payment of accelerated grade progression for social service professionals

### 19. Capital commitments.

	Note	2022/23 R'000	2021/22 R'000
Buildings and other fixed structures		11,439	16,608
Machinery and equipment		4,050	-
<b>Total</b>		<b>15,489</b>	<b>16,608</b>

The commitments relate to four infrastructure projects that were put on hold.

### 20. Accruals and payables not recognised.

#### 20.1. Accruals

	Note	2022/23			2021/22
		30 Days R'000	30+ Days R'000	Total R'000	Total R'000
<b>Listed by economic classification</b>					
Goods and services		31,162	4,330	35,492	15,591
Transfers and subsidies			-	-	8,862
Capital assets		1,352	34	1,386	4,361
Other				-	-
<b>Total</b>		<b>32,514</b>	<b>4,364</b>	<b>36,878</b>	<b>28,814</b>

	Note	2022/23 R'000	2021/22 R'000
<b>Listed by programme level</b>			
Administration		12,744	12,567
Social Welfare Services		20,803	5,266
Children and Families		740	9,113
Restorative Services		2,061	1,549
Development and Research		530	319
<b>Total</b>		<b>36,878</b>	<b>28,814</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The significant decline is due ECD function transfer to the department of education. The department of Social Development misplaced the documents that was supposed to disclosed as accruals in the 2021 - 2022 financial year and upon finding them they were captured in the incorrect accounting period that resulted to misstatement of accruals by R32 thousands hence the prior period error.

### 20.2. Payables not recognised.

Listed by economic classification	Note	2022/23			2021/22
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Goods and services		1,481	12	1,493	5,017
Transfers and subsidies		323	5,147	5,470	15,401
Capital assets				-	258
Other				-	-
<b>Total</b>		<b>1,804</b>	<b>5,159</b>	<b>6,963</b>	<b>20,676</b>

Listed by programme level	Note	2022/23	2021/22
		R'000	R'000
Administration		5,104	3,452
Social Welfare Services		644	3,250
Children and Families		278	12,115
Restorative Services		11	1,321
Development and Research		926	538
<b>Total</b>		<b>6,963</b>	<b>20,676</b>

The significant decline is due ECD function transfer to the department of education.

### 21. Employee benefits

	Note	2022/23	2021/22
		R'000	R'000
Leave entitlement		69,927	84,089
Service bonus		38,415	38,116
Performance awards		-	-
Capped leave		20,421	22,497
Other		29,410	43,723
<b>Total</b>		<b>158,173</b>	<b>188,425</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The decline on leave entitlement is as a result of transfer of personnel from Department of Social Development to Department of Education, and the payment of once off accelerated grade progression.

The employee's leave credit for annual is 22 or 30, It is up to the employees to decide when to utilize those credits between January- December, the Persal report only indicated pro rata credit of up to March 2023 hence employees who took more than the pro rata credit has negative leaves which will be cleared during the cycle to the value of R490 thousands. Programmatic penalization of leave credit due to Leave Without Pay.

### 22. Lease commitments

#### 22.1. Operating leases

	2022/23			
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment
	R'000	R'000	R'000	R'000
Not later than 1 year			189	
				189
<b>Total lease commitments</b>			<b>189</b>	<b>189</b>

#### 22.2. Finance leases

	2022/23			
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment
	R'000	R'000	R'000	R'000
Not later than 1 year				4,508
Later than 1 year and not later than 5 years				2,291
				4,508
				2,291
<b>Total lease commitments</b>				<b>6,799</b>
				<b>6,799</b>

2021/22

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year				2,722	2,722
Later than 1 year and not later than 5 years				1,597	1,597
<b>Total lease commitments</b>				<b>4,319</b>	<b>4,319</b>

### 23. Unauthorised, Irregular and Fruitless and wasteful expenditure

	Note	2022/23 R'000	2021/22 R'000
Unauthorised expenditure - current year			
Irregular expenditure - current year		4,630	25
Fruitless and wasteful expenditure - current year		130	28
<b>Total</b>		<b>4,760</b>	<b>53</b>

The change in accounting policy.

### 24. Related party transactions

	Note	2022/23 R'000	2021/22 R'000
<b>Revenue received</b>			
Transactions in financial assets and liabilities		2,704	4,351
<b>Total</b>		<b>2,704</b>	<b>4,351</b>

	Note	2022/23 R'000	2021/22 R'000
<b>Year end balances arising from revenue/payments</b>			
Receivables from related parties		-346	-3,050
Payables to related parties			
<b>Total</b>		<b>-346</b>	<b>-3,050</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Other	Note	2022/23 R'000	2021/22 R'000
<b>List other contingent liabilities between the department and related party</b>			
Contingent Liability		-	915,654
<b>Total</b>		<b>-</b>	<b>915,654</b>

In-kind goods and services provided/received	Note	2022/23 R'000	2021/22 R'000
<b>List in goods and services between the department and related party</b>			
Shared Internal Audit Services		3,938	3,721
Provincial Treasury (Audit Committee)		428	444
Department of Sport Arts and Culture (shared services)		22,245	20,641
<b>Total</b>		<b>26,611</b>	<b>24,806</b>

The Department of Health is accommodating some of the officials of social development at some of their institution (Clinics, Hospitals, Health care Centres and the level of the districts. The department of health pays for Physical Security, water, lights, telephone municipal rate and taxes and all these services are for free. The Provincial Treasury advised both Departments to discontinue with 80/20 methodology, in accordance with the request made by Provincial Treasury relating to prior year contingent liabilities LPT advised the department of Health to write off the entire balance hence the adjustment of contingent liability on related party to zero. The department could not disclose the value of the shared services incurred by the Department of Health on our behalf due to the impracticability of sitting arrangements at these institutions.

The use of buildings belonging to the department of Public Works Road and Infrastructure. The department make use of buildings belonging to the department of Public Works. Services paid by the Provincial Treasury: Vote 5.

Other related parties include Department of Education, Department of Safety Security and Liaison, Department of Co-operate Governance Human Settlement and Traditional Affairs, Department of economic Development Environment and Tourism, Provincial Legislature, Office of the Premier, Department of Transport and the Department of Agriculture.



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 25. Key management personnel

	2022/23 R'000	2021/22 R'000
Political office bearers ( <i>provide detail below</i> )	2,073	2,000
Officials:		-
Level 15	1,835	1,769
Level 14	5,894	6,026
Level 11 -13	18,520	17,095
Family members of key management personnel	-	-
<b>Total</b>	<b>28,322</b>	<b>26,890</b>

### 26. Non-adjusting events after reporting date

Nature of the event	Note	2022/23 R'000
<i>Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made</i>		
Leave on process not yet Finalised (Incapacity Leave) as at Reporting Period: Non- Adjustment		756
<b>Total</b>		<b>756</b>

- ☐ The Director SCM transferred to the Department from the Provincial Department of Agriculture and Rural Development effective the 1st of April 2023
- ☐ The Assistant Director expenditure and accounts transferred to the Department from Mpumalanga Department of rural Development and Environmental Affairs effective 1st May 2023
- ☐ The Department conducted and submitted organizational functionality Assessment report to office of the Premier on the 24th of April 2024 for ultimate submission to the Department of Public Service and Administration on the 28 April 2024

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 27. Movable Tangible Capital Assets

#### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance	Value adjustments	Additions	Closing balance
	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>				
Heritage assets				
<b>MACHINERY AND EQUIPMENT</b>	114,479		9,589	116,814
Transport assets	64,392		790	58,812
Computer equipment	29,470		8,161	37,050
Furniture and office equipment	13,069			12,968
Other machinery and equipment	7,548		638	7,984
<b>SPECIALISED MILITARY ASSETS</b>				
Specialised military assets				
<b>BIOLOGICAL ASSETS</b>				
Biological assets				
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>114,479</b>	<b>-</b>	<b>9,589</b>	<b>116,814</b>

#### Movable Tangible Capital Assets under investigation

	Note	Number	Value R'000
<b>Included in the above total of the movable tangible capital assets per the asset register that are under investigation:</b>			
Heritage assets			
Machinery and equipment		729	19,235
Specialised military assets			
Biological assets			
<b>Total</b>		<b>729</b>	<b>19,235</b>

A total of 729 major assets to the value of R19.235 million are still unverified and assets officials are continuing with investigation of these assets.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 27.1. MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>					
Heritage assets					
<b>MACHINERY AND EQUIPMENT</b>	113,798	82	2,795	2,196	114,479
Transport assets	64,392		-	-	64,392
Computer equipment	29,703	-2	1,752	1,983	29,470
Furniture and office equipment	12,512		671	114	13,069
Other machinery and equipment	7,191	84	372	99	7,548
<b>SPECIALISED MILITARY ASSETS</b>					
Specialised military assets					
<b>BIOLOGICAL ASSETS</b>					
Biological assets					
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>113,798</b>	<b>82</b>	<b>2,795</b>	<b>2,196</b>	<b>114,479</b>

Include discussion here where deemed relevant.

#### 27.1.1. Prior period error

Nature of prior period error	Note	2021/22 R'000
		82
Computer equipment		-2
Other machinery and equipment		84
Relating to 2021/22		
<b>Total prior period errors</b>		<b>82</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The department has overstated the computer equipment by R2000 rand and the error was as a result of rounding of R29472000.00 instead of R29470000.00 and has been corrected. Assets to the value of R84 thousands were found on the floor.

### 27.2. Minor assets

#### MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

2022/23

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance				44,890		44,890
Additions				647		647
Disposals				2,472		2,472
<b>Total Minor assets</b>				<b>43,065</b>		<b>43,065</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets						
Number of minor assets at cost				21,645		21,645
<b>Total number of minor assets</b>				<b>21,645</b>		<b>21,645</b>

#### Minor capital assets under investigation

	Note	Number	Value R'000
<b>Included in the above total of the minor capital assets per the asset register that are under investigation:</b>			
Machinery and equipment		2,021	3,518

The balance of R2.4 relates to minor assets written off.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The amount R58 thousands relate to assets transferred to the department of Education as result of ECD function shift.

An amount of R 156 thousands relate to donation minor assets into the department .A total of 2021 minor assets to the value of R3.5 million are still unverified and assets officials are continuing with investigation of these assets.

### MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

2021/22					
Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
R'000	R'000	R'000	R'000	R'000	R'000
Opening balance			45,406		45,406
Prior period error			-		-
Additions			734		734
Disposals			1,250		1,250
<b>Total Minor assets</b>			<b>44,890</b>		<b>44,890</b>

Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost			27,179		27,179
<b>Total number of minor assets</b>			<b>27,179</b>		<b>27,179</b>

The opening balance was understated by R12 thousand and the error was as a results of rounding figure for prior years .

#### 27.2.1. Prior period error

Nature of prior period error	Note	2021/22 R'000
Relating to 20WW/XX [affecting the opening balance]		
Relating to 2021/22		188

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The prior period error Minor assets opening balance	12
Minor assets	176
<b>Total prior period errors</b>	<b>188</b>

The opening balance was understated by R12 thousand, and the error was as a results of rounding figure for prior years. Minor assets to the value of R176 thousands were found on the floor.

### 28. Intangible Capital Assets

#### MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>SOFTWARE</b>	1,732			1,732
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>1,732</b>			<b>1,732</b>

#### 28.1. MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>SOFTWARE</b>	1,732				1,732
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>1,732</b>				<b>1,732</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 29. Immovable Tangible Capital Assets

#### MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	583,637	R'000		592,307
Dwellings	-			-
Non-residential buildings	580,772	8,670		589,442
Other fixed structures	2,865			2,865
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>583,637</b>	<b>8,670</b>		<b>592,307</b>

#### 29.1. MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	546,029		37,608		583,637
Non-residential buildings	544,137		36,635		580,772
Other fixed structures	1,892		973		2,865
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>546,029</b>		<b>37,608</b>		<b>583,637</b>

#### 29.2. Immovable tangible capital assets: Capital Work-in-progress

#### CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance 1 April 2022	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000
Buildings and other fixed structures	35,031	619		35,650
<b>Total</b>	<b>35,031</b>	<b>619</b>		<b>35,650</b>

Note  
Annex 7

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The balance on the work in progress relate to new projects that were put on hold.

### CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2021/22			
		Opening balance 1 April 20XX	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated
		R'000	R'000	R'000	R'000
Buildings and other fixed structures		64,154		4,111	33,234
<b>Total</b>		<b>64,154</b>		<b>4,111</b>	<b>33,234</b>
					<b>35,031</b>

Department of social development erroneously classified an amount of R3.8 million on payables not recognized on capital work in progress in 2022, it was determined that the payables not recognized was in fact not for all projects but for work in progress projects.

### 30. Prior period errors

#### 30.1. Correction of prior period errors

	Note	2021/22		
		Amount bef error correction	Prior period error	Restated
		R'000	R'000	R'000
<b>Expenditure: (E.g. Compensation of employees, Goods and services, Tangible capital assets, etc.)</b>				
compensation of employees (circum)		57	15,368	15,425
compensation of employees (other non-pensionable allowance)		210,492	-15,368	195,124
Resettlement cost		-	24	24
other operating expenditure		476	-24	452
<b>Net effect</b>		<b>211,025</b>		<b>211,025</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Department of social Development incurred expenditure of R15,4 million on Compensative /Circumstantial services in 2022. At the end of the financial year, the department erroneously classified this expenditure as Other non- Pensionable Allowances. It was determined that the expenditure was in fact Compensative /Circumstantial and not Other non- Pensionable Allowances.

Department of social Development incurred expenditure of R57 thousands on Other non- Pensionable Allowances services in 2022. At the end of the financial year, the department erroneously classified this expenditure as Compensative /Circumstantial. it was determined that the expenditure was in fact Other non- Pensionable Allowances not Compensative /Circumstantial.

Department of social Development incurred expenditure of R24 thousands on resettlement cost in 2022. At the end of the financial year, the department erroneously classified this expenditure as Other operating expenditure. It was determined that the expenditure was in fact resettlement cost and not Other operating expenditure.

	2021/22		
	Amount bef error correction	Prior period error	Restated
Note	R'000	R'000	R'000
<b>Other: (E.g. Unauthorised expenditure, Irregular expenditure, Fruitless and wasteful expenditure, etc.)</b>			
Computer equipment	29,472	-2	29,470
Minor assets opening balance	45,218	188	45,406
Payable not recognised (wip)	3,755	-3,755	-
Leave entitlement	84,090	-1	84,089
Othe machinery and equipment	7,191	84	7,275
Accruals(goods and service)	15,559	32	15,591
<b>Net effect</b>	<b>185,285</b>	<b>-3,454</b>	<b>181,831</b>

Department of social development erroneously classified an amount of R3.8 million on payables not recognized on capital work in progress in 2022, it was determined that the payables not recognized was in fact not for all projects but for work in progress projects. Programmatic penalization of leave credit due to Leave Without Pay.

The department has overstated the computer equipment by R2 thousands, and the error was because of rounding of R29472000.00 instead of R29470000.00.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The opening balance was understated by R12 thousand, and the error was as a results of rounding figure for prior years.

Assets to the value of R84 thousands were found on the floor. Minor assets to the value of R176 thousands were found on the floor.

The department of Social Development misplaced the documents that was supposed to disclosed as accruals in the 2021 -2022 financial year and upon finding them they were captured in the incorrect accounting period that resulted to misstatement of accruals by R32 thousands hence the prior period error.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 31. Transfer of functions and mergers

#### 31.1. Transfer of functions

Pronouncement was made during the State of the Nation Address by the President of South Africa that Early childhood Development be transferred to Department of Education. Proclamation Notice 19 of 2021 signed with effect from 01 April 2022 by the Premier of Limpopo Province, Members of Executive Council responsible for Department of Social development and Department of Education.

#### 31.1.1. Statement of Financial Position

	Balance before transfer date	Functions (transferred) / received	Functions (transferred) / received	Functions (transferred) / received	Balance after transfer date
	R'000	Dept name (Specify)	Dept name (Specify)	Dept name (Specify)	R'000
<b>ASSETS</b>					
<b>Current Assets</b>	<b>18,350</b>	<b>-1,545</b>			<b>16,805</b>
Receivables	18,350	-1,545			16,805
<b>TOTAL ASSETS</b>	<b>18,350</b>	<b>-1,545</b>			<b>16,805</b>
<b>NET ASSETS</b>	<b>18,350</b>	<b>-1,545</b>			<b>16,805</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 31.1.2. Notes

	Balance before transfer date	Functions (transferred)	Balance after transfer date
		Dept of Education	
Note	R'000	R'000	R'000
Contingent liabilities			
Contingent assets			
Accruals	28,782	-8,852	19,930
Payables not recognised	20,676	-10,436	10,240
Employee benefits	188,422	-413	188,009
Movable tangible capital assets	14,730	-761	13,969

An amount of R10 million on payables relate to payables not recognised for Non-profit organisation, and the R413 thousands relate to employee benefits for employees that were transferred to Department of education. An amount of R761 thousands relates to movable tangible assets transferred to the Department of education. The department underspent the allocation for ECD Stimulus Relief by R43.615 million. The department submitted a request for roll over and received the approval for the Provincial Treasury. The amount was however rolled over to the department of Education during the budget adjustment.

Pronouncement was made during the State of the Nation Address by the President of South Africa that Early childhood Development be transferred to Department of Education. Proclamation Notice 19 of 2021 signed with effect from 01 April 2022 by the Premier of Limpopo Province, Members of Executive Council responsible for Department of Social development and Department of Education

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2023**

*The department did not incur any revenue or expenditure relating to the function transfer to Education for the financial year 2022-2023.*



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 32. Statement of conditional grants received.

Name of grant	2022/23				2021/22			
	GRANT ALLOCATION				SPENT			
	Division of Revenue Act / Provincial grants	Roll overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under- / (Overspending)
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%
EPWP Grant	2,570				2,570	2,570	2,371	92%
SOC SECEPWP Incentive Grant	7,865				7,865	7,865	7,862	100%
Early Childhood Development Grant								
<b>TOTAL</b>	<b>10,435</b>					<b>10,435</b>	<b>10,435</b>	<b>10,233</b>
							<b>202</b>	<b>225,543</b>
								<b>182,025</b>

The Department has deviated due to misclassifications by two Districts (Sekhukhune and Vhembe) for Compensation of Employees and the allocation is utilised for payment of Stipend for NPOs rendering service for the Department.

The Deviation is due to transfers to NPOs which are made in tranches on a quarterly basis. There was a delay in finalisation of NPOs reconciliation for 2021/22 financial year which impacted on the actual transfers of funds for 2022/23 financial year. The Department has completed third quarter payments and started with fourth quarter payments.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2023**

**33. Statement of conditional grants and other transfers paid to municipalities.**

Name of municipality	2022/23					2021/22			
	GRANT ALLOCATION					TRANSFER			
	DORA and other transfers R'000	Roll overs R'000	Adjust-ments R'000	Total Available R'000	Actual transfer R'000	Funds withheld R'000	Reallocations by National Treasury / National Department %	DORA and other transfers R'000	Actual transfer R'000
Capricorn district municipality	202			202	100			150	111
Mopani District Municipality	46			46	43			40	36
Sekukhune District Municipality	42			42	51			45	27
Vhembe district Municipality	58			58	58			50	54
Waterberg District Municipality	35			35	30			40	28
<b>TOTAL</b>	<b>383</b>			<b>383</b>	<b>282</b>			<b>325</b>	<b>256</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 34. Broad Based Black Economic Empowerment performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

### 35. COVID 19 Response expenditure

	Note	2022/23 R'000	2021/22 R'000
Compensation of employees			
Goods and services		621	1,482
<b>Total</b>	<i>Annex 11</i>	<b>621</b>	<b>1,482</b>

## ANNEXURE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

Name of Municipality	GRANT ALLOCATION				TRANSFER				SPENT				2021/22	
	DoRA and Other transfers R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual transfer R'000	Funds withheld R'000	Re-allocations by National Treasury or National department %	Amount received by department R'000	Amount spent by department R'000	Unspent funds R'000	% of available funds spent by department	DORA and other transfers R'000	Actual transfers R'000	
Capricorn district municipality	202			202	100							190	112	
Mopani District Municipality	46			46	43							50	36	
Sekhukhune District Municipality	42			42	51							45	27	
Vhembe district Municipality	58			58	58							50	54	
Waterberg District Municipality	35			35	30							40	28	
<b>TOTAL</b>	<b>383</b>			<b>383</b>	<b>282</b>							<b>375</b>	<b>257</b>	

## ANNEXURE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### ANNEXURE 1B

#### STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2022/23				2021/22		
	TRANSFER ALLOCATION			TRANSFER			
	Adjusted Budget R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual transfer R'000	% of available funds transferred	Final Budget R'000
Health and Welfare Sita	7,300			7,300	7,284	100%	
<b>TOTAL</b>	<b>7,300</b>			<b>7,300</b>	<b>7,284</b>		

The actual amount spent of the departmental agency and accounts relate to Skills levy owed to Health and Welfare SETA for prior years.

# ANNEXURE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

## ANNEXURE 1F

### STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

Non-profit institutions	2022/23					2021/22	
	TRANSFER ALLOCATION			EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustment s	Total Available	Actual transfer	% of available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Services to older person	32,773		(6,628)	26,145	25,478	97%	21,636
Services to persons with disabilities	29,556		(5,567)	23,989	22,816	95%	20,495
HIV and AIDS	38,280			38,280	35,011	91%	20,777
Care and support services to Families	22,853		(3,781)	19,072	18,952	99%	17,164
ECD and Partial Care				-	-		329,223
Child and Youth Care	32,169		(1,263)	30,906	30,002	97%	27,285
Community Based Care for children	50,502		21,263	71,765	70,525	98%	52,085
Crime Prevention and support	4,756		(1,528)	3,228	3,228	100%	2,670
Victim empowerment	13,809			13,809	13,541	98%	14,528
Substance Abuse Prevention & Rehabilitation	7,048		(2,496)	4,552	4,415	97%	4,437
Institutional capacity	3,881			3,881	3,951	102%	5,667
Poverty Alleviation	21,401			21,401	19,442	91%	18,166
Youth Development	3,000			3,000	3,100	103%	5,833
Women Development	4,000			4,000	4,000	100%	3,513
Social Relief				-			9,654
<b>TOTAL</b>	<b>264,028</b>	<b>-</b>	<b>-</b>	<b>264,028</b>	<b>254,461</b>		<b>538,135</b>
							<b>543,479</b>

# ANNEXURE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

## ANNEXURE 1G

### STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2022/23				2021/22		
	TRANSFER ALLOCATION			EXPENDITURE			
	Adjusted Budget R'000	Roll overs R'000	Adjustment s R'000	Total Available R'000	Actual transfer R'000	% of available funds transferred	Final Budget R'000
<b>Transfers</b>							
H/H Empl S/Ben: Injury on Duty	1,150			1,150	423	37%	850
H/H Empl s/benLeave Gratuitt	3,453			3,453	6,150	178%	7,474
H/H :S/BEN PST RETIRMT BENEF	2,008			2,008		0%	1,227
H/H EMPL S/BEN:ER PENS PENALTY							3,089
<b>Total</b>	<b>6,611</b>			<b>6,611</b>	<b>6,573</b>		<b>9,551</b>
<b>TOTAL</b>	<b>6,611</b>			<b>6,611</b>	<b>6,573</b>		<b>13,218</b>

The number of attrition in the year 2021/2022 were more as compared to 2022/2023 financial year



## ANNEXURE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### ANNEXURE 1H STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation Received in kind	Nature of gift, donation or sponsorship	2022/23	2021/22
		R'000	R'000
Jica	Computer		66
jica	other machinery		6
vodacom	Minor	156	122
<b>Subtotal</b>		156	194
<b>TOTAL</b>		<b>156</b>	<b>194</b>

# ANNEXURE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

## ANNEXURE 1K

### STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT

Grant Type	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Old age	-	1,555	6,166	1,964	2,207	946	44	8,799	322	-	2,464	1,010	25,477
Disability	-	-	5,724	1,384	3,108	1,264	-	6,195	752	-	1,755	2,633	22,815
Other		708	35,737	11,180	19,539	11,940	163	40,548	21,896	9,281	20,809	34,368	206,169
<b>TOTAL</b>	<b>-</b>	<b>2,263</b>	<b>47,627</b>	<b>14,528</b>	<b>24,854</b>	<b>14,150</b>	<b>207</b>	<b>55,542</b>	<b>22,970</b>	<b>9,281</b>	<b>25,028</b>	<b>38,011</b>	<b>254,461</b>

## ANNEXURE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### ANNEXURE 3B STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

Nature of liability	Opening balance 1 April 2022 R'000	Liabilities incurred during the year R'000	Liabilities cancelled / reduced during the year R'000	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2023 R'000
<b>Claims against the department</b>					
Allegation that the Department published defamatory statements about the plaintiff (Mphahlele and Mbambo)	100				100
MVA: Mohoto collided with Lubisi and caused damages to the value of R5 060	50				50
MVA: Employee (Masithulela) collided with the car of Mr Mutsila thereby alleged causing damages to his car. The officer was on duty by the time of accident	39				39
MVA: Macheke KE, a Social Worker at Waterberg collided with a motor vehicle belonging to David Mulaudzi thereby causing damages	30		30		-
Alleged that minister promise to provide the plaintiff with food and cash payment of R3000	3				3
Alleged that the Department of Social Development did not pay the Service provider DEVELOPNOMIC PTY LTD as per Order that was issued	12				12
GJ DE klerk/ MEC: MVA: State vehicle collided with a third-party vehicle. Summons issued. State attorney filed notice to defend	48				48
D Mundzhedzi vs MEC MVA: State vehicle collided with third party vehicle.summons issued state attorney filled notice to defend	22				22
Rasemate Johannes Nkoana / MEC for Motor Vehicle Accident	100				100
Mashile K.R // MEC DSD (vehicle accident)	49		49		-
Ndimande M.M // Phillip Komane		62			62
Nkogatse P // MEC DSD		101			101
Subtotal	453	163	79	-	537
<b>TOTAL</b>	453	163	79	-	537

# ANNEXURE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

## ANNEXURE 4 CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23 *	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>Department</b>								
Limpopo Agriculture			46		46		-	-
limpopo sport Arts and culture				29	-		29	
Limpopo Education			283		283		-	-
Department of public works			933		933		-	-
Correctional Service					-		-	-
National department of social development				27	-		27	
North west Social Development				71	-		71	
Gauteng Social Development					66		-	-
Gauteng Health					-		-	-
National prosecuting authority					-		-	-
Subtotal			1,328	127	1,328		127	
<b>TOTAL</b>			<b>1,328</b>	<b>127</b>	<b>1,328</b>		<b>127</b>	

# ANNEXURE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

## ANNEXURE 5 INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23 *
							Payment date up to six (6) working days after year end
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Amount
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS							
Current							
LP HEALTH			-	-	-	-	
LP Department of justice			1,215		1,215		
Department of international relation				33	-	33	
National Department of Social development				32	-	32	
Gauteng Social Development			132	74	132	74	
Gauteng Health			62		62	-	
LP Agriculture			-	54	-	54	
Subtotal			1,409	193	1,409	193	
Total Departments			1,409	193	1,409	193	1,409
TOTAL INTERGOVERNMENT PAYABLES			1,409	193	1,409	193	1,409

## ANNEXURE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### ANNEXURE 6 INVENTORIES

	Other Inventory	Uniform and Protective Clothing	Grocery and food supplies	Farming and Gardening	Total
	R'000	R'000	R'000	R'000	R'000
<b>Inventories for the year ended 31 March 2023</b>					
Opening balance	2,515	337	157	-	3,009
Add/(Less): Adjustments to prior year balances	33		90		123
Add: Additions/Purchases - Cash	4,172	1,210	6,572	1,884	13,838
(Less): Issues	-2,257	-180	-779	-1,378	(4,594)
Add/(Less): Received current, not paid; (Paid current year, received prior year)				-506	(506)
Add/(Less): Adjustments					-
<b>Closing balance</b>	<b>4,463</b>	<b>1,367</b>	<b>6,040</b>	<b>-</b>	<b>11,870</b>
<b>Inventories for the year ended 31 March 2022</b>					
Opening balance	965	559	119	-	1,643
Add/(Less): Adjustments to prior year balances					-
Add: Additions/Purchases - Cash	3,951	2,883	9,658	70	16,562
(Less): Issues	(2,387)	(3,105)	(9,620)	(576)	(15,688)
Add/(Less): Received current, not paid; (Paid current year, received prior year)	(14)			506	492
Add/(Less): Adjustments					-
<b>Closing balance</b>	<b>2,515</b>	<b>337</b>	<b>157</b>	<b>-</b>	<b>3,009</b>

**ANNEXURE TO THE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 MARCH 2023**

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

**Movement in capital work in progress for the year ended 31 March 2023**

	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>35,031</b>	<b>619</b>		<b>35,650</b>
Dwellings				
Non-residential buildings	35,031	619		35,650
Other fixed structures				
<b>TOTAL</b>	<b>35,031</b>	<b>619</b>		<b>35,650</b>

**Movement in capital work in progress for the year ended 31 March 2022**

	Opening balance	Prior period error	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	64,154		4,111	(33,234)	35,031
Non-residential buildings	64,154		4,111	(33,234)	35,031
<b>TOTAL</b>	<b>64,154</b>		<b>4,111</b>	<b>(33,234)</b>	<b>35,031</b>



**ANNEXURE TO THE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 MARCH 2023**

**ANNEXURE 8A  
INTERENTITY ADVANCES PAID (Note 13)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2023	31/03/2022	31/3/2023	31/03/2022	31/3/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
<b>PROVINCIAL DEPARTMENTS</b>						
The IDT				13,192		13,192
<b>Subtotal</b>				<b>13,192</b>		<b>13,192</b>
<b>TOTAL</b>				<b>13,192</b>		<b>13,192</b>

**ANNEXURE TO THE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 MARCH 2023**

**ANNEXURE 11  
COVID 19 RESPONSE EXPENDITURE  
Per quarter and in total**

Expenditure per economic classification	2022/23				2021/22	
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Compensation of employees</b>						
<b>Goods and services</b>		621			621	1,482
Minor Assets						72
Consumable supplies		621			621	1,410
<b>TOTAL COVID 19 RESPONSE EXPENDITURE</b>		<b>621</b>			<b>621</b>	<b>1,482</b>

## Contact Us

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nfo@dsd.limpopo.gov.za | www.dsd.limpopo.gov.za

## DISTRICT OFFICES

### Capricorn District

Moolman Building | 34 Hans van Rensburg Street | Polokwane  
Tel: 015 290 9069 | Fax: 015 291 5917

### Mopani District

Unigaz Building | Main Road | Giyani  
Tel: 015 811 4300 | Fax: 015 811 4357

### Sekhukhune District

Old Parliament Building | Zone F | Lebowakgomo  
Tel: 015 632 9900 | Fax: 015 633 7113

### Vhembe District

Old Parliament Building | Thohoyandou  
Tel: 015 962 1848 | Fax: 015 962 4623

### Waterberg District

Cnr Elias Motsoaledi & Thabo Mbeki Drive  
Modimolle | Opposite Hoërskool Nylstroom  
Tel: 014 718 1700 | Fax: 014 718 1780