

## INFORMATION SERVICES: RESEARCH

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### DRAFT ANALYSIS OF THE ANNUAL REPORT OF THE DEPARTMENT OF SOCIAL DEVELOPMENT 2005/06

#### 1. Introduction

The Department of Social Development tabled its Annual Report for the year ended 31 March 2006 in Parliament on 21 September 2006.<sup>1</sup> The Annual Report also contains the Report of the Auditor-General on the Financial Statements of the Department of Social Development for the 2005/06 financial year. This paper will summarise the Annual Report and the Auditor-General's Report, and highlight selected issues for Parliament's attention.

#### 2. Reporting by programme

##### 2.1. Administration

The Administration programme is responsible for Ministerial services, the Office of the Director-General (DG) and Human resources, among others. One of the areas of particular focus in this programme has been the development of a strategy by which the Department could attract and retain appropriately skilled personnel. High staff turnover and high vacancy rates have in the past been noted as impacting significantly on the Department's capacity to fulfil its mandate. The Department reports that it had set a target of reducing the vacancy rate from 42% currently to 10% in three years, with the specific target for 2005/06 reaching a 20% vacancy rate. According to the Annual Report, the vacancy rate has been reduced to 24%, and the Report notes that the process of recruiting staff for the South African Social Security Agency (SASSA) impacted on reaching the targets. Key to this area of work is for Parliament to get an understanding of where the current vacancies still exist, and how this is still impacting on capacity in the Department. The establishment of SASSA has also meant that a new structure for the finance branch in the Department had to be developed, and that the appropriate staff be appointed in areas where there were still gaps. In this area, the Department has only managed to reach 50% of its target in that only 30% of the posts were filled. This is an area that requires attention, as the report

<sup>1</sup> Parliament of the Republic of South Africa. Announcements, Tablings and Committee Reports, Thursday 21 September 2006.

suggests that 70% of the posts in the financial management section had been vacant at the end of the financial year.

With regard to the area of sector education and training for staff, the Department indicates that it had not met its target for the 2005/06 financial year. The Annual Report is unclear in this regard: it notes a 50% deviation from the training target, and states that officials were trained in various programme areas. However, the performance measure for this area is the submission of a Workplace Skills Plan and an annual training report, to be completed by 31 May of the year. What is reported as actual output for the year therefore does not speak to the performance measure, and it is not possible to determine to what extent a Workplace Skills Plan has or has not been completed.

Another area of work that suggests the need for further attention relates to information management and technology. The target of finalising and fully implementing the Department's information management strategy has not been met (60% deviation from target), and the policy procedure manual related to the strategy has not been completed (50% deviation from target). While the Annual Report does not provide detailed information for the reasons for this underperformance, the difficulties in accessing information from the Department's website suggest that the Department is experiencing serious challenges in this regard. When compared to the departmental websites of other departments, such as that of the National Treasury, the Department of Social Development's website is not user-friendly, and the database does not go further back than 2005 in terms of documents and legislation. The website does not contain links to any of the legislation that the Department implements, except for the Children's Amendment Bill. While the website does provide for users to request documentation from the Department, this is a cumbersome process, and does not make allowance for situations where users may want to search the Department's electronic database remotely.

Finally, the Department reports that it has under-performed in the area of completing a strategy for partnerships with stakeholders in the social development field. It also acknowledges that this is important for ensuring that policy initiatives developed by the Department are linked to cutting-edge empirical evidence, and for ensuring that the Department is able to access dynamic policy advice. Such advice is especially crucial in the field of social assistance policy, as well as the implementation of new legislation such as the Children's Bill.

## **2.2. Social Security Policy and Planning**

Work towards the completion of comprehensive social security policy is an important component of this programme area, as it has repeatedly been pointed out that the South African social security system has serious shortcomings. It is therefore concerning that the Annual Report indicates that no progress has been made with the targets set for 2005/06, namely to complete proposals for comprehensive social security by March 2006. The Department further notes that it completed proposals for the extension of the

Child Support Grant (CSG) to all children, and therefore believes that it has met the target it set in relation to proposals on benefits to children, youth and families. However, the same output is reported against another objective, where, again, the Department indicates that it had met the target. The question that arises is whether a motivation for the extension of the CSG to all children is the only policy response in relation to benefits to children, youth and families.

Furthermore, the performance measure given in the Annual Report differs from what had been set out in the 2005/06 Strategic Plan, which does not mention proposals on benefits to children, youth and families. While it is not possible to say that the information provided by the Department is misleading, it is difficult in this instance to reconcile the Annual Report with the Strategic Plan. It must be noted that there appears to be a closer match between the indicators given in the 2005 ENE and the Annual Report for the year under review. However, when considering the report against the performance measure "Further extension of the Child Support Grant", the Department states a 50% deviation from its target of completing a discussion paper/report on the social and economic implications of extending the CSG to children up to 18 years. Again, it is difficult to understand how the deviation is measured, as the Department submitted a motivation for the extension of the CSG to Cabinet, whereupon Cabinet referred it back to the Department.

With regard to the social security needs of child-headed households, the Department had set itself the target of completing a report on the matter by 2006, and to include in the report recommendations on interventions relating to street children. However, in the outputs column, the Annual Report states that reports had been completed in 2004, which suggests that the information provided here is incorrect: it would not make sense to set a 2006 target for work completed before the start of the 2005/06 financial year. The Department must therefore clarify whether this research has been done, and how the insights gained through the research will be translated into policy.

The Annual Report further indicates that some progress has been made in the area of disability assessment for the purposes of social assistance. A new assessment tool has been developed, consulted with stakeholders, and will be piloted in the current financial year. However, the assessment tool for the care dependency grant has not been completed. The Department notes that training on the assessment tool has not taken place, as the function has been transferred to SASSA, and because the training can only occur after the tool has been piloted. It is a matter of concern that the process has taken as long as it has, and that the care dependency grant assessment tool is yet to be finalised. While the Department's responses to these issues link closely what had been set out in the Strategic Plan, the Annual Report does not speak to an issue that has been raised at various forums, namely that particular challenges are being experienced with regard to the relationship between HIV status access to a disability grant. This appears to be an area that requires attention at the level of policy: if communities refer to the disability grant as an HIV grant, and anecdotal evidence is surfacing of people wilfully being infected in order to access grants, and once they have access to grants, not

taking antiretroviral treatment for fear of losing the grant. These issues also point to the critical need for a comprehensive social security regime that does not depart from the premise of full employment in South Africa.

### **2.3. Grant Systems and Service Delivery Assurance**

The focus of this programme is on the development and implementation of service delivery norms and standards for grant administration. In the year under review, a further important focus for the programme was overseeing the establishment of SASSA. This process has proceeded smoothly, and no grant beneficiaries were adversely affected through the transfer of the function. SASSA is now nearing the completion of its establishment in terms of separate office space in most of the provinces, and during an oversight visit to SASSA offices in August 2006, the Portfolio Committee on Social Development was informed that key posts have been filled, business processes implemented, and that grant payments were proceeding as planned. Reporting for these programme areas will in future have to occur through SASSA, as the Department will not have any of the responsibilities outlined in the programme for the financial year under review.

According to the Department, the effort that had gone into setting up SASSA has in some instances had the result of targets not being met. In other instances, implementing policy or procedures has been held over, as they should ideally be put into operation by SASSA. In this regard, one example from the Annual Report relates to the strategy to reduce the turn-around time for grant applications, the Department indicates that it had an 80% deviation from the target of reducing the application process cycle time from 21 days to 11 days by April 2006. During the oversight visit to SASSA regional offices, the delegation from Parliament was informed of a number of pilots aimed at reducing the cycle even further, with the project in the Eastern Cape region aiming at a 1-day turn-around time. For the current year, therefore, the Department should be focusing on targets that relate to the monitoring of this particular process, as monitoring of norms and standards still resides with the Department. Another example of a functional area where progress has been delayed due to the establishment of SASSA is the implementation of electronic document and workflow systems that had to be completed by the end of the 2005/06 financial year.

One of the key elements to eliminating fraud and corruption in the grant system has been the need for an interface between databases held by the Department of Social Development, the Department of Home Affairs, PERSAL, the Government Employee Pension Fund and SARS. The Department reports that it has not been able to reach agreement with SARS regarding access to their databases. This appears to be an issue that the Portfolio Committee could take up with the Minister for possible resolution at Cabinet level.

## **2.4. Social Security Delivery Assurance**

This programme, which was known as "Social Assistance" in the 2005 ENE<sup>2</sup>, is responsible for the transfer of the funds required to pay social grants, as well as the cost attached to the administration thereof. In the year under review, the programme was also responsible for establishing SASSA.

The Annual Report notes that it had not met the target of reaching 7 million children with the Child Support Grant, reaching 90% of these instead. With regard to all the other grants, the target of 90% coverage of eligible beneficiaries was exceeded. Attention was also paid to improving the integrity of the administration process at provincial level. At the same time, much of the focus was on removing and arresting government officials in receipt of grants illegally, and the Report notes that the target in this regard was reached.

In terms of the establishment of SASSA, the Department performed well. SASSA has been listed as a public entity in terms of the Public Finance Management Act (PFMA), and critical personnel such as the Chief Executive Officer (CEO) and senior managers were appointed. The social assistance function was transferred from the national and provincial departments to the Agency, while the Department has started developing instruments to manage the Department's oversight responsibility vis-à-vis SASSA.

With regard to expenditure of the conditional grant for social assistance, the Annual Report indicates that provinces spent an average of 97.7% of the grants transferred to them. The Free State and Gauteng spent the lowest percentages of the grant, with 89.98% and 93.94% respectively. In the case of the Free State, the "savings" are due to stricter controls with regard to the disability grant, as well as improved review processes. Gauteng underspent on their grant as a result of a lower than estimated take-up of grants, in addition to improvements in the integrity of its data. However, as far as the conditional grant to support the administration of grants is concerned, once again Free State underspent by nearly 20%, in part due to the fact that critical posts have not been filled. According to the Report, the significant underspending on the side of Mpumalanga (the province spent 81.97% of its allocation) is the result of the slow progress being made in establishing provincial and regional offices for SASSA. Similar reasons are given in relation to other provinces such as North-West and Limpopo, which suggests that this is an area that must be monitored when Parliament interacts with SASSA.

## **2.5. Welfare Service Transformation**

This programme is aimed at facilitating the implementation of welfare service policies, strategies, programmes and service standards. There are a number of areas in this programme where the Annual Report indicates that the Department under-performed. One of these relates to the improvement of conditions of service for social workers, and implementing a retention strategy

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<sup>2</sup> 2005 Estimates of National Expenditure.

for social workers. The Report states that, while the review of social worker salaries was completed as per the target, the Department struggled to get consultations on the retention strategy underway due to lack of capacity/ once again, the reporting is unclear: the target for the financial year had been that this consultation process should have been completed by March 2006. In the outputs column, the Report notes that the process started in April, which presumably is April 2006; this should therefore represent an under-performance of 100% in relation to that particular item, and not 50% as indicated in the Report. This manner of presenting information continues to make an assessment of the Department's performance difficult.

The question of a lack of capacity is noted in a number of instances, especially in relation to the development and implementation of norms and standards for welfare services. The Quality Assurance Framework for social welfare services was not developed as envisaged, with the result that none of the training intended could not take place. Quality Assurance Audit Reports could also not be compiled. Similarly, due to capacity constraints, the development of a model for the transformation of protective workshops, aimed at enabling persons with disabilities to gain access to employment, did not take place. To a certain degree, this lack of capacity can be explained by the fact that social assistance has for so long taken up so much of the Department's resources. However, now that SASSA has been established, the Department has to develop and implement strategies to address its lack of capacity with regard to welfare services.

In the area of prevention and rehabilitation of substance abuse, the Annual Report notes that a new Central Drug Authority has been appointed with the Department's assistance. The target for putting in place a new legislative framework for dealing with substance abuse was December 2006. The Department indicates that it has not deviated from the 2005/06 target, but reporting is incorrect, as no legislation in this regard has been tabled in Parliament. It must also be noted that the development of legislation in this area has been a challenge since the previous Annual Report, which indicated the target for the completion of draft legislation as March 2005.<sup>3</sup>

With regard to services to older persons, the Annual Report indicates that the legislative framework for older persons had been completed within the set target. Some progress was made in the complimentary area of developing guidelines for community-based services to older persons, as is the case with guidelines for the transformation of old age homes. However, work towards the Integrated Plan of Action on Ageing has not met the target, and the Department indicates that workshops have been held with other government departments to develop this plan. In relation to a number of the areas of work where the Annual Report indicates underperformance, it appears that the consultation process is taking longer than envisaged. This raises the question of whether such consultations take longer than expected because there is a lack of capacity in the Department to drive the process, or whether the targets set in the Strategic Plan are unrealistic.

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<sup>3</sup> Department of Social Development. 2005. *Annual Report 2005*.

The Department has once again under-performed in relation to services to persons with disabilities. Policy guidelines on rehabilitation of both children and adults with disabilities have not been completed, although some progress is indicated. As far as the process of completing the Integrated Policy Guidelines on Rehabilitation are concerned, the Department indicates that the funding allocated was inadequate, and that an internal funding process would be followed in the current financial year. Again, reporting in this form does not serve the purpose well, as it is unclear whether an "internal funding process" will be followed because in the year under review, the process was funded by an outside source. If this is the case, it gives cause for concern, as the formulation of guidelines for the implementation of social welfare services is a core function of the Department's and should therefore not be dependent on outside funding. However, if this is not what was meant by the Annual Report, the Department must pay attention to whether its reporting format is adequate for Parliament to get a clear understanding of processes and challenges in the Department's work.

The question of the transformation of protective workshops for persons with disabilities has also been ongoing for a number of years. The policy that relates to protective workshops has been finalised, albeit more than two years later than originally envisaged. However, due to a lack of capacity, the completion and piloting of a model for the transformation of workshops has not been completed. The Annual Report does not mention to what extent this work has in fact progressed, or what the specific area is in which there are capacity constraints. This is one area where the Department is unable to achieve its targets on an annual basis, and it was already raised as an area for concern in 2004.<sup>4</sup>

## **2.6. Children, Families and Youth Development**

The programme Children, Families and Youth Development focuses on policies, legislation and programmes aimed at addressing the challenges pertaining to families, children and youth. One of the major achievements in this programme area for the year under review was the approval of the Children's Bill. The section 76 part of the Bill has been tabled in Parliament, and the costing of the Bill, albeit later than the envisaged target of March 2006, has been completed.<sup>5</sup> The Report also notes progress with regard to the drafting of regulations to the Children's Bill. However, with regard very many of the performance targets in the programme, the Department seriously under-performed.

The subprogramme "Strategies to prevent and combat child abuse, neglect and exploitation" is an area of work that the Department has struggled with for a number of years. Among the targets for the 2005/06 financial year were a

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<sup>4</sup> Abrahams, Fernel. 2004. *Summary and analysis of the Annual Report of the Department of Social Development 2003/04*. Paper prepared for the Research Unit, Information Services Section, Parliament of South Africa.

<sup>5</sup> The Department forwarded a costing estimate, completed by a firm of consultants, to the Portfolio Committee on Social Development in September 2006.

review of the National Protocol on the Management of Child Abuse and Neglect, followed by intersectoral training on this area. In addition, the Department was to develop minimum standards for child abuse and neglect. None of these targets were met, and while the Department indicates that the additional effort that went into completing the Children's Bill was partly the reason for underperformance, there also appears to be departmental capacity constraints in this programme. Work in the area of child abuse and neglect has been ongoing for a number of years, with an earlier implementation target for the National Protocol being set at May 2004 – more than two years ago. With regard to the operationalising of the computerised national Child Protection Unit, the Annual Report indicates that there had been a 60% deviation from the target of having the register fully functional in all the provinces. However, if the server has been installed in eight provinces, such serious under-performance suggests that the outputs given as a measure of performance (namely the installation of the system in eight provinces) do not speak to whether the system is operational in any of the provinces. Given the fact that the Department must have foreseen the additional work that would have accompanied the completion of the Children's Bill, and given the fact that it has been experiencing challenges with this area for a long time, it is difficult to understand why the Department has been unable to ensure that it obtained additional capacity, even if on a consultancy basis.

When considering the programme area of policies to protect and promote the well-being of children, the Annual Report notes that against a target of conducting workshops with all provinces on the implementation of the policy and minimum norms and standards, the following has been achieved: a service provider has been appointed to do a rapid appraisal of foster care nationally; a draft foster care strategy is in place and ready for approval and there has been a significant improvement in the relationship between the Departments of Social development and Justice. While all of these outputs indicate that work is being done, they do not clearly relate to the completion of policy, or conducting the workshops. This example suggests that the Department is experiencing difficulty reporting against targets set, which could mean that the targets are not formulated in a manner that allows for real tracking of performance.

One part of the Department's contribution to the Expanded Public Works Programme (EPWP) relates to managing the policy environment for Early Childhood Development (ECD) Centres. The Department is able to report that the ECD guidelines have been approved, and that Cabinet has approved an Integrated Early Childhood Development Plan. With regard to the implementation of ECD, the Annual Report indicates targets for 2005/06 of registering 50% of ECD programmes nationally, as well as training 50% of the staff in registered facilities. In the "actual outputs" column, however, the Report notes that the Department achieved an 11% increase of registered sites receiving subsidies, and that an intersectoral Social Sector Action Plan was in place. Neither of the outputs noted speak to the targets that had been set. While it is encouraging that 11% more ECD centres now receive subsidies, the Report does not indicate what percentage of ECD centres are in fact registered. It also does not provide any information on whether any



ECD staff training has taken place, or what the reasons for the underperformance are.

Similar issues can be noted with regard to programmes aimed at empowering youth and preventing social crime. Reducing the number of children awaiting trial is one of the key deliverables in this subprogramme, and target for the year under review was to achieve a 70% reduction in the number of children awaiting trial. The Department reports that the number of children is "continually reduced at 60%,"<sup>6</sup> which makes no sense as it does not say whether it means that a 60% reduction has been achieved. Perhaps the performance measure is problematic to begin with, as it is unclear what actual figures the 70% mentioned in the target refers to.

The Annual Report indicates that the Department more than met its performance target with regard to training probation officers on the principles of restorative justice – against a target of training 350 probation officers, 750 practitioners were trained. This reporting is once again problematic, as "practitioners" does not indicate whether it refers to probation officers or assistant probation officers, and therefore does not clearly reflect on the target. It should be simple enough to distinguish between the number of probation officers and the number of assistant probation officers trained. In the 2005 Annual Report, the Department indicated that it had not met the target of finalising regulations for Secure Care; this target was shifted to the 2005/06 financial year, and the regulations have still not been completed, which suggests a particular weakness in this area.

## **2.7. Development Implementation Support**

The Development Implementation Support programme is aimed at supporting the establishment and provision of ongoing support to income-generating projects. According to the Annual Report, an exit strategy for Poverty Relief projects has been developed, and a draft report assessing the status of these projects has been handed over to provinces. The Department has not completed its work towards an anti-poverty strategy, but it is noted that the Department is currently consulting with all the relevant stakeholders, and envisages that the strategy will be completed by December 2006.

During the year under review, the Department's Food Emergency Scheme was phased out, and the funding allocated to provinces as part of the Integrated Social Development Services Grant. It must be noted as a matter of concern that a number of provinces have not spent their allocations in terms of the Integrated Social Development Services Grant satisfactorily. The Free State, for example, spent only R9.450 million of the more than R37 million allocated to it (25%); similarly, KwaZulu-Natal and Limpopo, two of the poorest provinces, spent only 48% and 44% of their grants respectively. For all three provinces, underspending was reportedly caused by problems with

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<sup>6</sup> Department of Social Development. 2006. *Annual Report for the year ended 31 March 2006*, p. 108.

the registration of NGOs and CBOs, by delays in the process of awarding tenders, or by delays in provinces completing business plans.

The Department has started focusing on integrating its poverty relief efforts with other measures being taken with regard to the 21 development nodes. The aim was to conduct an audit of poverty levels and needs in all 21 nodes by December 2005. This target was not met, but a service provider has been appointed to conduct the study. Similarly, a service provider has been appointed to conduct a study that will form the basis of mobilising social capital and finance. The Department reports that the initial studies were conceptualised too narrowly, and that a review of the scope of each project has resulted in its delay. Another reason cited for the delays in completing the audit of the 21 nodes is a lack of capacity. This is an area that must be followed up with the Department, as a number of years ago, Social Development was meant to be one of the lead departments in the fight against poverty; however, due to the limited success of the poverty relief projects, much of the funding that had been available to the Department was channelled into the EPWP. To a large extent, the exit strategy being devised for poverty relief projects is aimed at bringing to an end the Department's involvement in projects funded earlier.

The Department could still play a major role in ensuring that community development services are focused on the integrated urban and rural development nodes. In this regard, the audit reports referred to earlier are important, as it should identify needs as well as those social development services that are already in place. It is in this area that community development workers should play a crucial role, and it is encouraging that the job descriptions for community development workers has been finalised and their salaries reviewed. However, it is important that the community development policy is completed; the target envisaged for the draft policy framework to be developed was December 2005, but the Department reports an 80% deviation from this target.

With regard to the non-profit sector, the Annual Report notes that the Department met its targets in that it achieved the registration of 8 398 organisations within the expected timeframe. As far as the second target in this programme area is concerned, namely maintaining an accurate database of organisations registered with the Department, the Report indicates no deviation from the target of 100% reporting by registered organisations. However, the outputs given against the target do not make sense: 8 398 organisations were registered; 5 415 organisations submitted reports; 1 024 organisations were de-registered, while non-compliance notices were sent out to a further 1 304 organisations. In terms of simple arithmetic, the totals do not add up, as these totals amount to 7 743 organisations accounted for. While the Department cannot be said to have under-performed if some organisations simply do not comply with reporting requirements, more than 600 organisations are not accounted for. It is difficult to understand then, what the Department bases its assessment of the programme on.

A crucial developmental area with regard to the non-profit sector is the support that the Department must provide to community-based organisations applying for registration. The target for the area was supporting 20% of organisations applying for registration through training and mentorship programmes, but the Department deviated from the target by 70%. The Annual Report does note that 35 workshops were held for 864 organisations in different provinces, but it also points to a lack of capacity in a directorate that must manage an ever-increasing number of community-based and faith-based organisations.

## **2.8. HIV and AIDS**

The HIV and AIDS programme is responsible for measures aimed at mitigating the impact of HIV and AIDS on vulnerable groups. The programme also includes the Department's other contribution to the EPWP, namely home and community-based care (HCBC). The Annual Report notes the following achievements:

- 268,382 families were assisted and 170,184 food parcels distributed;
- 30,863 children were referred for foster care placement;
- 18,153 beneficiaries received counselling and support;
- 9,734 caregivers were trained on issues related to HIV and Aids care and support;
- 8,318 caregivers received stipends.
- 218,259 orphans and other children who were made vulnerable by HIV and Aids were supported; and
- visits to 26,623 child-headed households were conducted so as to provide counselling and support services.

One of the targets set for the programme was the finalisation of the policy framework for HCBC. This target was not met, but the Department indicates that a decision was taken to complete the norms and standards for this service so that the norms and standards could inform the policy framework. In addition, a costing model for HCBC was developed on the basis of research on the cost and effectiveness of HCBC.

A further area of work relates to support provided to orphans and vulnerable children (OVC). The policy framework for orphans and other children made vulnerable through HIV and AIDS was completed as envisaged, and a National Action Plan for OVC, aimed at the implementation of the policy, was completed. Additionally, the Department had envisaged the establishment of coordinating structures at provincial and regional levels, an area in which it has under-performed to a certain degree. Structures are only functional in four of the nine provinces, while only two regions have implemented the coordinating structure.

The Department is also involved in HIV prevention programmes through its sponsorship of the Lovelife ground Breakers project, aimed at reaching 20% of the marginalised and vulnerable youth. A total of 500 ground breakers were trained across 748 schools across the country. However, the Department did

not complete the envisaged programmes to target men, with the Report noting only that terms of reference for the project have been completed. Once again, capacity constraints in the directorate are given as the main cause for areas of under-performance.

#### **4. Auditor-General's Report**

The Department of Social Development was given an unqualified audit by the Auditor-General, although attention was called to an emphasis of matter. This emphasis of matter raised concern with the fact that provinces had not spent the conditional grants allocated to them – such underspending has already been referred to earlier in this paper.

The Auditor-General, in the previous Annual Report, raised a number of issues with regard to the Department's ability to manage the non-profit sector. In this Annual Report, the Auditor-General notes a significant improvement in this regard, especially in light of the financial certainty that the Policy on Financial Awards to Service Providers has brought to the sector.

An issue of concern that has not been resolved relates to the fact that the previous year's audit identified a number of weaknesses in the Social Pension System (SOCPEN). While some progress has been made in addressing weaknesses relating to controls and follow-ups on the accuracy of information on the system, a number of other areas of weakness have not been addressed.

The most significant weaknesses identified were the following:

- No formally documented and approved programme change control standards and procedures and user account management procedures had as yet been established. Unauthorised changes might consequently be made to programs and unauthorised users might gain access to the system.
- The Department did not have a formal disaster recovery plan for its IT infrastructure. The Department might not be able to recover critical systems in the event of a disaster.
- The activities of administrators responsible for the Department's mainframe security were not monitored by an independent user. Unauthorised activities would therefore not be detected in good time.
- The duties of users with powerful privileges responsible for the Department's mainframe security system administration were not adequately segregated.
- Segregation of duties was not maintained between the critical job functions of the Department's mainframe security system administration and the application security functions.
- The logical security access controls for the system used to download payment data and management information were inadequate.

- The programmers could transfer programs to the production environment, which made it possible for unauthorised changes to be made to production data and/or programs.

The Auditor-General notes that these weaknesses indicate that management has not yet established the required level of control over key IT processes, which are consequently subject to significant control risks. This is especially important in light of the high levels of fraud and corruption that plague the social assistance system. As the administration of this function has been transferred to SASSA, Parliament needs to follow up on this issue with SASSA, while ascertaining the monitoring of improvements as carried out by the Department in the current and coming financial years.

## **5. Conclusion**

The Department of Social Development's Annual Report for the 2005/06 financial year reflects on both achievements and challenges. One of the most important achievements has been the establishment of the South African Social Security Agency (SASSA), and preparing to transfer the administration of social assistance to SASSA. Social assistance administration has over the past decade taken up much of the Department's resources, not only in financial terms, but also in terms of how the Department has been able to respond to demands made by other programme areas. However, even in the area of social assistance, the Department is still experiencing significant challenges with regard to its capacity to ensuring that the policy framework underpinning the system is consistently updated, and new policy areas developed. This is an issue that must receive attention in the current and coming financial years, and Parliament must follow up on departmental weaknesses identified in the Annual Report.

As a result of the focus on social assistance, other programme areas in the work of the Department have long been neglected. However, with the establishment of SASSA, attention must now be paid to ensuring that the Department's structure does justice to demands in the areas of welfare services, services to vulnerable groups, HIV and AIDS, and community development. A lack of capacity is regularly cited as the reason for the Department not achieving its targets. In addition, the Department must ensure that when targets are set, the lengthy process of consulting with stakeholders and the processes involved in awarding tenders are factored into the planning, so that the length of these processes do not cause unnecessary delays.

Finally, the format in which the Department reports on various programme targets does not always satisfy reporting requirements in that the outputs reported do not speak to the targets set for a particular subprogramme. Such reporting makes it impossible to get a clear understanding of the extent to which targets have been met, or what progress has been made towards meeting targets.

## 6. Sources

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