

Select Committee on Finance
Public Hearings on 4th Quarter Spending
on Conditional Grants and CAPEX
PRESENTATION BY EASTERN CAPE
DEPARTMENT OF SOCIAL
DEVELOPMENT

Presentation by MEC S. Kwelita, MEC for Social
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Overview



This presentation follows the format requested in the letter of 26 April 2007 and covers the following:

- Overview of EC Department
- Details of Budget for 2006/07 and actual expenditure
- Progress on CAPEX
- Details of monitoring capacity
- Indication of capacity constraints
- Conclusion

Overview of EC Department



The Department of Social Development in the Eastern Cape (Vote 4) introduced the new Programme structure with 3 programmes in 2006/07:

- Prog 1: Administration
- Prog 2: Social welfare services
- Prog 3: Development and research.
- Expenditure has been updated from March IYM for AFS. Expenditure was R101,3%.

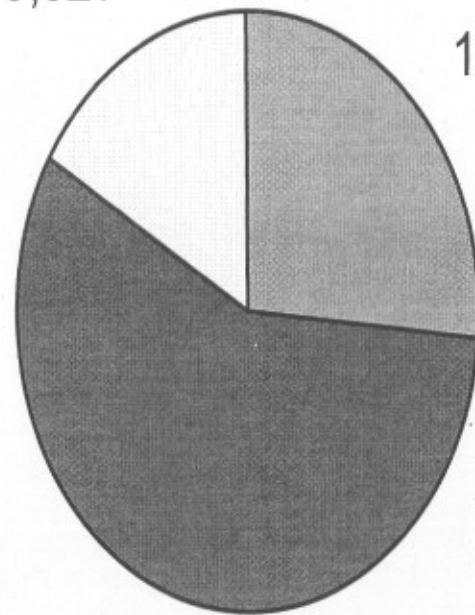
2006/07 Budget and Expenditure

Amounts in R'000



120,627

197,638



422,537

■ Administration

■ Social Welfare Services

□ Development and
Research

CAPEX for 2006/07 (cont)



| | Project name | Project | Estimated Project Duration | | 2006/07 | 2006/07 | Progress | Status |
|---|------------------------------------|---------|----------------------------|--------------|----------------------------|---------|---|---------------|
| | | | Date: Start | Date: Finish | Expenditure - End March-07 | Budget | | |
| 1 | Qumbu Secure Care Centre | New | Dec-06 | Apr-08 | 363 | 1,600 | As instructed by Mr. Yawa this project was tendered - tenders closing on 27 February 2008. | Out on tender |
| 2 | Humansdorp Multi Purpose Centre | New | Feb-04 | Mar-08 | 6,042 | 3,700 | Site handed over to contractor on 21 February 2006. 55% Completed. | On site |
| 3 | SD Head Office move to Phalo House | Maint. | Jan-06 | Mar-06 | 0 | 3,200 | Funds must be rolled over to be used in this financial year for this project - due to treasury instruction to move. | On site |
| 4 | Erica Place of Safety: Fencing | Maint. | Dec-07 | Mar-07 | 718 | 0 | Emergency fencing replacement, tender closed in December 2006, awaiting issue of works order from SD | On site |
| 5 | Middledrift Service Office | Upgrade | Apr-01 | Mar-06 | 129 | 600 | Contractor appointed October 2006, Works order only received in December 2006, site handed over in January 2007. | On site |

CAPEX (cont)



| | Project name | Project | Estimated Project Duration | | 2006/07 Expenditure - End March-07 | 2006/07 Budget | Progress | Status |
|----|--|---------|----------------------------|-----------------|--|-------------------|--|-----------|
| | | | Date: Start | Date: Finish | | | | |
| 6 | Alice Service Office | Upgrade | Apr-01 | Mar-07 | 106 | 400 | Contractor appointed October 2006, Works order only received in November 2006, site handed over in January 2007. | On site |
| 7 | Grahamstown Multi-purpose Centre & Place of Safety | New | Apr-02 | Mar-08 | 1,337 | 6,000 | This project was tendered on 2 February 2006 and tenders closed on 28 February 2006. Works Order was only received in November 2006. Site handed over on 12 December 2006. | On site |
| 8 | Siyalinga/Thembelihle Centre - Phase 2 | Upgrade | Apr-04 | Mar-07 | 3,897 | 3,800 | Site handed over to contractor on 24 January 2006. 90% Completed. | On site |
| 9 | Khayaletumba Social Development Office | Upgrade | Jan-05 | Mar-07 | 2,584 | 2,500 | Completed | Completed |
| 10 | Aliwal North C/Development Centre | New | Apr-04 | Mar-07 | 3,174 | 1,200 | Completed | Completed |
| 11 | Peddie Community Development Centre | New | Apr-02 | Mar-07 | 1,931 | 2,700 | Completed | Completed |

CAPEX (cont)



| | Project name | Project | Estimated Project Duration | | 2006/07 | 2006/07 | Progress | Status |
|--------------|---|---------|----------------------------|--------------|----------------------------|---------------|--|-----------|
| | | | Date: Start | Date: Finish | Expenditure - End March-07 | Budget | | |
| 12 | Maintenance - Parkhomes | Upgrade | Oct-03 | Mar-06 | 288 | 0 | Project completed, maintenance done to 38 sites | Completed |
| 13 | Seymour District Office | Upgrade | Oct-03 | Mar-06 | 35 | 0 | Final account approved - final payments issued. | Completed |
| 14 | Air-conditioning - Parkhomes & Service | Upgrade | Oct-03 | Mar-06 | 93 | 0 | Project completed, air-conditioning added to 78 park-homes | Completed |
| 15 | Siyalinga/Thembelihle Centre - Fencing | Upgrade | Oct-03 | Mar-06 | 19 | 0 | Project final account approved and project completed. | Completed |
| 16 | Upgrading of Butterworth TT College (Area Office) | Maint. | Apr-05 | Mar-06 | 345 | 600 | Project completed. | Completed |
| TOTAL | | | | | 21,061 | 26,300 | | |

Summary of CAPEX



- Expenditure on CAPEX was R21,061 m out of a budget of R26,3 m. (80%).
- Delays were in some projects were mainly caused by delays in tendering, handover of sites, or appointment of contractors.
- Where projects delayed, funds were reprioritised to emergency renovation of park homes and completion of other project



Details of monitoring capacity

The Departmental monitoring and reporting capacity throughout the year functioned at different levels. Individual senior managers were required to monitor their respective activities and projects. The Project Facilitation Unit monitored specific medium to large scale projects. The Directorate for Strategic Planning provided overall monitoring, coordination of M & E and reporting on Departmental projects. Initially this Directorate was short staffed, but key posts in the monitoring and evaluation.

- Individual projects and activities were monitored by Programme Managers and the Project Facilitation Unit using a specific DSD tool.
- Monthly IYM was done and submitted.
- Quarterly reports were compiled against the targets in the APP
- A specific monitoring tool for administration and management information was designed and utilised
- Half-yearly Oversight was done by the EC Provincial Legislature.



| Challenges | Intervention |
|---|---|
| <p>Staff shortages. DSD started 2006/07 year with almost 51% vacancies on the approved structure (excluding social security posts).</p> | <p>By the end of the 2006/07 year the Department had advertised some 498 posts, of which 464 had been filled. The balance are mainly cases where the first candidates have declined and the second candidates are being processed. 500 funded vacant posts for the 2007/08 year have already been advertised.</p> |
| <p>Establishment of SASSA EC. The establishment of SASSA EC from 1 April 2006 had a negative impact on the Department in that a large number of contract workers in the Finance and HR sections were included in the staff ring-fenced for transfer to SASSA. Subsequently SASSA recruited a number of key people through their recruitment process.</p> | <p>Initially SASSA EC seconded some of the key staff back until posts could be advertised and filled.</p> |



Conclusion



- The final figures for 2006/07 will appear in the AFS.
- The indications are, as reflected in the Treasury press release of 3 May 2007, that the Department has spent 101,3% of its budget.
- Judging by the draft Annual Report which is being prepared, the Department has also met the targets that it set in its 2006/07 Strategic Plan and Annual Performance Plan.