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Analysis of 2006/07 Social Development Annual Report

1. Programme performance

1.1. Programme 1: Administration

Programme 1 provides for policy and strategic direction by the ministry and top management and support services to the Department.

1.1.1 Achievements

Programme achieved the following strategic objectives:

- The Department achieved its target to review existing policies to inform the strategic development process.
- The monitoring and evaluation framework for social development was developed. However, it is not reported whether the framework was approved, as the Department's target for 2006/07 was to have it approved. Further clarity is needed in this regard.
- The Electronic Document Management System was explored and will be implemented in 2007/08. The Annual Report also reports that the Department maintained the manual Document Management System. However, this reporting does not clearly reflect the Department's meeting the strategic objective. The objective was to develop an efficient Document Management System. Nevertheless, this is an important objective for the Department as it is in the process of restructuring. The system will help the Department to streamline its administrative processes.
- The Department set an objective to have a functional website, improved publications and information materials and draft distribution strategy. This Department met this objective. The operation of the website was monitored, website manager was appointed and internal publications, such as Annual Report, Strategic Plan are posted in the website. In addition, the Annual Report reports that the Department dedicated 2006/07 to developing and consolidating content and graphic design of the website. The launch of the website will take place in 2007/08.
- The Department aimed to reduce the current vacancy rate of 42% to 20% in three years. In the financial year under review the Department reduced the vacancy rate to 20%, which makes the Department to be ahead of target.
- The Department set a target of having 80% of audits compliant. The Annual Reports reports that 12 audits including management request of the 15 approved audits were completed.

Issues of clarity

- The Department aimed to have the new finance structure approved and implemented and also to have 90% posts filled. The Department fell short of meeting the 90% target by approximately 8% (70 posts of the 85 funded posts were filled). It is not clear whether the new finance structure was implemented. The Annual Report reports that financial planning and monitoring capacity was reviewed and expanded in view of the increased financial oversight responsibilities with the establishment of South African Social Security Agency (SASSA) and the shifting of the social assistance function from the provincial to the national sphere of government. It is also important if the Department can provide more details on the new finance structure in terms of what it entails.



2.1 Programme 2: Comprehensive Social Protection

The function of Programme 2 is to develop comprehensive system of social security with norms and standards for service delivery, facilitate financial and economic planning for social security in line with developmental objectives, monitor and evaluate social security services delivered and assess the impact of policies implemented.

2.1.1 Achievements

- The Department completed the review of the social security system of retirement provisions. The following recommendations were proposed:
 - Removal of the means test to the state old age pension;
 - Introduction of a mandatory retirement savings regime;
 - Savings should provide for both defined benefit and defined contribution arrangements;
 - An opt out and accreditation regime for the defined contribution arrangement;
 - Removal of the tax expenditure subsidies that provide generous benefits for middle and high income groups;
 - The establishment of a government-sponsored retirement fund; and
 - The provision of ancillary risk benefits such as post-retirement medical contributions, death and disability benefits.
- It conducted an investigation into the review of the means test for various social grants and the report was presented.
- The Harmonised Assessment Tool for disability was approved by Cabinet. The tool will assist the Department in provision of free health care and qualification for disability grants. The tool was piloted in three provinces and the report was completed in October 2006. It is proposed that the Department briefs parliamentary committees on the findings of the pilot study in terms of the success and challenges.
- The Department developed a policy and completed an implementation plan for the extension of social assistance to indigent refugees who are disabled. These were approved by Cabinet. The Department also developed a plan to cover contingencies of recognised refugees in respect of old age pension, children in poor households and foster care.
- The Department drafted a framework document on social security measures for youth between the ages of 14 and 24 years.
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Issues of clarity

- When is the Department planning to roll out the implementation of the disability assessment tool?
- The Department aimed to develop a framework for insurance coverage by private sector through social cluster. However, the Annual Report does not indicate whether the Department met this target. It only reports that the first phase of this project was completed whereby a detailed analysis of the gaps in social security coverage was completed. It is recommended the Department provides more details on this target.
- The Department set target to revise the social security targets for public and private benefits and complete it by September 2006. However, this target was not achieved due to the delays in the approval of the proposal on the social budget. In addition, regarding the target to



complete the study of link between social security and economic growth by December 2006 was not met. It only completed a study on the link between social security and employment and not on social security and economic growth. This is attributed to the lack of capacity. Furthermore, a study on link between social grants and labour market was not presented in February 2006 as planned due to lack of capacity. Another study on spatial and gender analysis of the social and economic impact of social security grant was not completed due to lack of capacity. The aforementioned raise the question of Department's shortcomings in project planning in terms of human resources and time management. In addition, was the lack of capacity due to staff shortage or due to the existing staff not being able to conduct the studies? When is the Department planning to complete the above-mentioned projects and what intervention measures it has taken to address the lack of capacity?

2.2 Programme 4: Social Welfare Service

The programme ensures that integrated social welfare services are accessible and delivered to vulnerable groups.

2.2.2 Achievements

- The Department in collaboration with the Council for Social Service Professions conducted a research on demarcation of social services and areas of specialisation in social work. This enabled the Department to develop and benchmark job descriptions for social auxiliary workers and determine cost implications. However, the target to benchmark job descriptions for child and youth care workers was not met due to the delay in finalising research on the demarcation of social services by the Council for Social Service Professions.

Issues of clarity

- When is the Department envisages completing benchmarking of job descriptions for child and youth care workers? This critical to be fast tracked in the light that the drafting of the Children Amendment Bill is in its final stages.
- The Department targeted to train 50% of managers and 50% of service professionals through the capacity building programme on service delivery model. Output on the aforementioned is not reported in the Annual Report. The report only shows that the capacity building on the content of the programme was conducted in Mpumalanga, Free State, Northern Cape, North West and the Population Unit of the National Department of Social Development. It is not indicated whether the Department met its target. Did the Department meet its target?
- The Department set a target to roll out the youth and children model to four provinces. However, it was only rolled out in two provinces – KwaZulu-Natal and Gauteng. The other two targeted provinces did not have the resources to roll out the model due to budget and human resource constraints. How is the Department planning to address this and what is the way forward?
- The Department set a target to develop the national drug awareness programme for adults. The Department did not meet its target. The Annual Report reports that the process was not started due to budget and capacity constraints. What caused these constraints considering that this was set as a target for 2006/07 financial year? When is the Department planning to start this process?
- The Department did not meet its target to train 150 service providers and award them with accreditation on substance abuse interventions. 80 service providers were trained (40 from Limpopo and North West respectively). This was due to the fact that the allocated R150 000



limited the training of the targeted group, therefore resources were not adequate to reach the targeted group. What is the Department planning to address this?

- The Department did not meet its target to have two shelters for women victims of domestic violence set up. One shelter was set up in Mpumalanga, called Badplaas shelter. National Treasury did not approve the establishment of the second shelter due to underspending of provinces. This is a critical challenge that needs to be addressed as it hinders service delivery, especially for this essential service. The 2007 State of the Nation Address alluded to critical need to provide protection to women and children against violence.

2.3 Programme 5: Development and Research

The programme develops, monitors and facilitates the implementation of appropriate policies, strategies and programmes for sustainable livelihood and human and population development. This includes mainstreaming national and international development obligations like the Millennium Development Goals and the commitments set at the World Summit on Sustainable Development.

2.3.1 Achievements

- The Department registered 6 507 organisations within two months of receipt of application. This increased the total number of registered organisations to 43 466. 4 722 annual reports were received and 3 614 of these reports were captured on the NPO database.

Issues of clarity

- The Department set a target to have a number of pilot projects on sustainable livelihood conducted in Eastern Cape and Limpopo by March 2007. The Department only conducted one pilot project – Dutyini Pilot project in Eastern Cape. Why was the target not met?

Financial analysis

The bulk (R61, 224 million) of the Department's expenditure went into social security transfers and administration. The Department was allocated R62 222 million.

Human Resource analysis

The Department has high vacancy rate of 30.6 on senior management level and closely followed by 23.2 on skilled level. Overall vacancy rate of the Department is 21.8. In the financial year under review the Department filled 417 posts out of 533 posts.

For 2006/07 the Department had a staff turnover rate of 38.5 with highest turnover of 45.5 on highly skilled supervision level. It must be noted that this level comprises of the highest staff compliment of 187 compared to other levels.

At the senior level (legislators, senior officials and managers), the Department has 26 Black females compared to 22 Black males and 4 White females compared to 2 White Males. At professional level, Black females comprise highest number of 47 out of 91. Regarding staff with disabilities, the Department has an even staff compliment between Black and White male and female employees (4 Black females, 3 White females and 3 White males).



Auditor-General Report

The Department received unqualified audit opinion with other matters of concern, namely:

- Documentation of transactions and other significant events with respect to Grant payments were not complete and accurate and do not facilitate tracing the transaction or event and related information from authorization and initiation, through its processing, to after it is completed.
- Although a great effort has been made in order to trace and manage grant files, in certain cases these files were not readily available for examination and certain files that were received, did not contain the necessary documentation to facilitate the verification of the grant.
- The terms of authorisations regarding Grant expenditure are not in accordance with directives and within limitations established by law, regulation, and management.
- Control activities in respect of Grant expenditure, described in policy and procedures manuals are not actually applied and not applied properly.
- Monthly reconciliations of actual Grant payments made with the amounts recorded in the accounting records are not performed consistently in all provinces.
- Management's strategy does not provide for routine feedback and monitoring of Grant beneficiaries and their current circumstances.

Bibliography

2006/07 Social Development Annual Report

Department of Social Development Strategic Plan 2006/7- 2009/10

National Treasury Estimates of National Expenditure