



GAUTENG PROVINCE

SOCIAL DEVELOPMENT
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

TO: ALL MEDIA

ATTENTION: NEWS EDITORS

DATE: 03 APRIL 2024

FOR IMMEDIATE RELEASE

NPO PANELLING PROCESS FINALISED

The Gauteng Department of Social Development embarked on a rigorous NPO adjudication process, paving way for reviewing and signing of Service Level Agreements (SLAs) with complying and successful NPOs for the 2024/25 Financial Year.

Over 1732 applications were received collectively tallying an amount of over R11,4 billion in financial requests – an amount far greater than the Departments overall budget of R5,5 billion.

This meant that panellists had a gruelling task to stretch the budget far and wide in response to the needs presented by NPO while realistically remaining within the confines of the budget available, as its impractical to fund the entire R11,4 billion.

The process to invite eligible NPOs to sign the SLAs is now underway and has been centralised to the DSD Headquarters to be coordinated by the Accounting Officer.

This process was previously decentralised to officials in regional offices, which has been found to be in contravention of Treasury Guidelines in terms of delegation of powers.

The contravention resulted in officials signing of millions that are outside of their financial delegations, thereby affecting internal control systems.

The Department has reviewed all such delegations to be aligned to existing Treasury Guidelines.

The financial delegations of the Department have also been revised to ensure such contraventions to the Treasury guidelines are indeed corrected and accountability for such processes rightfully restored with the required delegated authority within the department based on amounts of funding requested and awards decided upon.

Many considerations had to be made before the panelists could decide on whether or not funding could be awarded to applicant NPOs.

Amongst those were physical verification of the NPO at registered addresses, observations of services being rendered and also verification of the compliance status with the National DSD database.

Other factors include NPOs flagged as non – compliant on the National DSD database, no access granted or invalid addresses upon site visit.

In terms of Section 38(1)(j) of the PFMA, the following is contemplated:

38. General responsibilities of accounting officers.—(1) The accounting officer for a department, trading entity or constitutional institution—

(j)

Before transferring any funds (other than grants in terms of the annual Division of Revenue Act or to a constitutional institution) to an entity within or outside government, must obtain a written assurance from the entity that, that entity implements effective, efficient and transparent financial management and internal control systems, or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control systems;

Therefore, in the absence of the Department receiving such written or other assurance from the NPOs, the Department is not permitted to enter into any such funding arrangements with NPOs for the transfer of state funding.

As per commitment, successful NPOs are being contacted as of the first week of April 2024, to come in to the Head Office for signing of SLAs. To manage the numbers NPOs will be contacted in various groupings ensuring efficiency.

The Department wishes to thank all NPOs for exercising patience during the adjudication period, which took place in a very difficult climate of investigations, and peddling of mistruths from those opposed to clean governance.

-ENDS-

Issued by the Gauteng Department of Social Development

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