



**SOS CHILDREN'S  
VILLAGES  
SOUTH AFRICA**



**ANNUAL REPORT  
2018**



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National Director: Stephen Miller

# NATIONAL DIRECTOR'S REPORT

**2018 was a notable year for SOS Children's Villages South Africa. Firstly, our Member Association (MA) became "subsidy-related self-sufficient" as we stopped receiving running cost subsidies from SOS Promoting & Supporting Associations (PSAs). SOS South Africa was the first MA in the East & Southern Africa (ESAF) region to achieve this status, and it is testimony to the determination of our co-workers, as well as the support of our donors, government and the SOS Federation.**

Achieving this status is just the first step on our journey towards sustainability. Over the coming years we will continue to build resilience and strengthen our culture and expertise, to the point where we become the leading childcare organisation in South Africa.

2018 was also a year of efficiency gains and enhanced accountability. We reduced budgeted expenditure by almost 15% through a purposeful and collaborative effort. Significant savings were achieved in areas such as Information Communication Technology (ICT), travel and utilities, but without compromising the quality of our programmes or cutting one single job.

This cost efficiency drive was complemented by a bold effort to reduce corruption. An Ethics Committee was established and an education campaign carried out in all programme locations to enhance reporting. As a result, eight corruption incidents were reported in 2018, and these were addressed under the guidance of the Integrity, Legal & Compliance Unit (ILC Unit) in Austria. This was a difficult undertaking yet it was essential in ensuring the highest ethical standards at SOS South Africa.

We also made great strides in Child Safeguarding (CS) in 2018. We established a National CS Committee, employed a full-time National Child Safeguarding Officer, strengthened the role of local CS focal persons, and trained an additional eight CS investigators. By purposefully strengthening both anti-corruption and CS infrastructure, we also ended up receiving more incident reports than in previous years. This was expected, and each case was addressed professionally and helped us to improve prevention measures. We anticipate a steady decline in both corruption and child safeguarding incidents over the coming years, as our remediation efforts bear fruit.

Finally, and most importantly, in 2018 we continued to provide quality care and support to children, young people and families. At least 750 children were supported in alternative care around the country at any one time. A further 4 500 children from surrounding communities were reached through the Family Strengthening (FS) Programme. Educational outcomes improved, with a pass rate above the national average for children in Alternative Care and Family Strengthening. Young people also gained access to a range of work readiness and placement opportunities with the launch of the YouthCan! Programme in March.

In terms of the external environment in South Africa, 2018 was a challenging year economically, politically and socially. This had a direct impact on the situation of children in the country, as well as on the work of SOS Children's Villages.

The South African economy experienced a technical recession in 2018, with an annual GDP growth rate of less than 1%. This outcome was far lower than official forecasts and it negatively affected revenue collection by the government and productivity in the private sector. The unemployment rate slipped to its worst level since 1994, at 27.5% for the general population and over 50% for youth. These economic factors affected SOS CV in two fundamental ways. Firstly, young beneficiaries leaving care found it tremendously difficult to find employment in a very competitive market, despite gains made through our YouthCan! programme. Secondly, fundraising potential shrunk significantly, affecting the non-profit sector as a whole. In particular, corporate donations stagnated. However, SOS South Africa still managed to grow private income by 10% in 2018.

Apart from the economy, several government regulations had a direct impact on SOS South Africa. In particular, the Department of Social Development (DSD) enforced two regulations from the Children's Act, which required all Child and Youth Care Centres (Children's Villages) to have:

- a) a Local Management Board, and
- b) properly qualified staff to work with children.

In line with these regulations, SOS South Africa established Local Management Boards in 2018 (more detail on this follows in the next pages).

All unqualified SOS mothers, aunts and trainees were required to qualify as 'Child and Youth Care Workers', a semi-professional status. We invested a substantial sum of money in this training and enrolled all our core care co-workers on a 14 module, two-year part-time course conducted by an external provider. This professionalisation of SOS mothers is expected to have a pronounced effect on SOS operations in future.

The DSD also strengthened the requirements for the registration and subsidisation of Child and Youth Care Centres in 2018. This shift was primarily a result of government fiscal constraints and a renewed focus on enforcing the Children's Act (mentioned above). Although SOS South Africa was able to satisfy the requirements, government bureaucracy led to the late payment of subsidies at several locations. This late payment placed a significant strain on the organisation's cash flow.

Finally, despite the combined efforts of government and civil society, the environment for children in South Africa continued to deteriorate in 2018. The country has the highest femicide rate in the world and domestic violence is prevalent. Over 60% of children grow up without the regular presence of a male caregiver. Substance abuse is rife, and we have the highest level of foetal alcohol syndrome on earth. HIV/Aids, although on the retreat, is still a leading factor in children losing parental care.

All of these factors result in an increasing need to strengthen families and provide alternative care to children who have been abused, abandoned or neglected by their caregivers. This underlines the relevance of SOS Children's Villages in South Africa, and the urgent need for us to build resilience and the capacity to provide care and support to ever more children.



**SOS South Africa still managed to grow private income by 10% in 2018.**

Stephen Miller





SOS SA Child Safeguarding Investigators

## CHILD PROTECTION

**As a child-focused organisation, efforts around child-protection were intensified in 2018.**

The number of SOS SA Child Safeguarding Investigators was increased from two to eight. It is their responsibility to safeguard children and investigate breaches of child protection within the organisation.

These investigators went on a capacity-building workshop to increase the knowledge and skills of SOS SA's co-workers, and to strengthen their ability to respond appropriately to the reported child safeguarding concerns and allegations within the organisation.

SOS Children's Villages has zero tolerance to any form of abuse or harm to children. It is our, as well as our associates' responsibility to ensure that children and young people supported by SOS programmes are safe and protected.



**SOS Children's Villages has zero tolerance to any form of abuse or harm to children.**



# LOCAL MANAGEMENT BOARDS FOR SOS CHILDREN'S VILLAGES SOUTH AFRICA

**In 2017/18, SOS South Africa focused on establishing Local Management Boards at SOS Children's Villages, in accordance with the Children's Act and the accompanying regulations.**

We established eight Local Management Boards in 2018, one for each of the programmes with Children's Villages (CVs). The members are from the local community and include the SOS Programme Director, an SOS mother as well as a youth representative. Establishing these local boards around the country took substantial time and effort but they will improve accountability to the communities and young people served by the organisation.

The Local Management Boards will provide oversight related to individual CYCCs (Child and Youth Care Centres). However, the ultimate governance structure for SOS Children's Villages South Africa is the National Board of Governors, which is responsible for strategic and financial matters. The National Board of Governors reserves the right to amend or overwrite decisions made by the Local Management Boards that are deemed to not be in the best interest of the organisation.

Some of the responsibilities of the Local Management Board include:

- Provide advice and support to the Programme Director and monitor progress against the SOS Children's Villages SA programme strategy;
- Review and approve the annual budget for the centre, within the strategic framework of SOS and adhering to the budget frame provided for this purpose by the National Office;
- Evaluate the performance of the Programme Director in collaboration with the Head of Programmes;
- Monitor, review and approve the business plan of the centre; and
- Ensure that the assets of the programme location are maintained and protected.

The Local Management Board will thus not change or determine the strategy of the local SOS programme. The National Director will serve as the link between the Local Management Boards and the National Board of Governors. Local Management Board candidates were screened and selected by a subcommittee of the National Board of Governors.





## THOBILE'S STORY

### SOS LEAVES A FOOTPRINT I'LL NEVER FORGET

**It is our deepest conviction that the best place for a child to grow is in his or her own family. Placing a child in the care of an SOS family is only considered if the child's relatives are unable to care for the child, or if it compromises the child's wellbeing.**

The SOS Family Strengthening Programme (FSP) is designed to do just this: to keep children with relatives.

FSP co-workers act as catalysts, strengthening and encouraging families to offer children better care and protection; and providing a range of services such as healthcare and food; assistance with access to grants and education; and building the caregiver's capacity to provide food and income.

FSP facilitators work closely with community based organisations (CBOs) in carrying out their family strengthening activities. Most of these CBOs rely

on volunteers who are often just as relieved to have SOS in their lives as the families we serve.

#### ONE SUCH VOLUNTEER IS THOBILE NKAMBULE

Thobile grew up in Johannesburg under very difficult circumstances. Her mother abandoned Thobile and her three siblings to escape their physically abusive father. As a chronic asthmatic who lost one hand in an accident, Thobile's father was unable to provide for his children alone.

Life was hard for the siblings. But after their father passed away in 2000, it became even harder.

"We were still young and my mother was nowhere to be found. After the funeral, our aunt took us in but our suffering was worse. She mistreated us and misused our foster care grants. She did not buy us school uniforms or food and we had to sell vegetables for her," Thobile recalls.

A social worker from the Department of Social Development (DSD) intervened and placed the children in the care of their eldest sister, who had already left home.

### **UNFORTUNATELY, THE CYCLE REPEATED ITSELF**

Their sister misspent their social grants, leaving the siblings to rely on neighbours for food. She also made short work of an education grant for each child. By the time the social worker stepped in, the sister had already spent most of the grant. But fortune was finally shining on the siblings. The money that remained was enough to buy a two-roomed house.

"That was the beginning of change in our lives. We had our own shelter and community members donated pots, blankets and even some furniture to us," says Thobile.

By then, Thobile was in Grade 11 and had a part-time job as a till operator. After matriculating in 2007, she got a job preparing burgers at a fast food restaurant. The social worker noticed the late nights that Thobile was working and decided it was unsafe for a young lady. So she helped Thobile obtain a DSD learnership as a child and youth care worker, which offered a monthly stipend of R1500.

### **THIS ACTION PUT THOBILE ON A TRANSFORMATIVE PATH**

"I was placed as a volunteer in Sakhasive Home Base Care, a CBO that was in partnership with SOS FSP Nelspruit. I assisted the SOS field worker in assessing families who needed assistance and helping with family development planning for FSP families."

Thobile demonstrated such passion and commitment that she was offered a permanent job as a community development worker (CDW) at SOS CV Nelspruit in 2009.

"The first thing that came into my mind when I received my first salary was to build a proper house for my siblings. I obtained a bank loan and today we have a big house that we call our home. I have a strong belief that God does not give you something that you cannot bear. I believe that God was using my personal hardships to prepare me for a future of helping other children and families. It was always God's plan for me to end up in the FSP, so that I can inspire my brothers and sisters in SOS Children's Villages to reach for a better future."

In 2015, Thobile obtained a bursary from the Department of Education to study teaching. "The good news is that I passed and graduated with a teaching diploma in April 2019. Next, I want to enrol at Unisa to study social work."

Thobile is now 34 years' old and is in a good place in life. "I sincerely thank SOS donors for blessing our organisation financially. Your donations have saved and changed so many lives for the better. SOS has made a huge difference in my life. It has left a footprint that I will never forget. I am proud to say that I am where I am today because of SOS."

**I believe that God was using my personal hardships to prepare me for a future of helping other children and families.**



We thank SOS co-workers, donors, government and the SOS Federation for giving youngsters like Thobile the opportunity to build successful, independent lives – all the while guiding families in our FSP to do the same.





# SUCCESS IN THE FAMILY STRENGTHENING PROGRAMME WITH ICT4D



**In 2018, SOS Children's Villages South Africa piloted the use of ICT4D (Information Communication Technology for Development) at two of our Family Strengthening Programmes (FSPs).**

SOS's community based FSPs provides support to families caring for orphans and vulnerable children, with the aim of keeping these children in their families and communities of origin. Through community social centres, we form partnerships with community structures to enable them to tackle the issues facing vulnerable children at a grass-roots level.

ICT4D is a key tool for social, economic and political development, especially in developing nations. It bridges the digital divide to tackle social ills through technology, and makes information readily accessible to a wider network of communities, including those who were previously excluded from access to technology.

SOS Children's Villages South Africa workers were using notepads and pens to capture data, and would need to re-capture and transfer this data to a computer

database. They will now use mobile devices (tablets) to capture beneficiaries' data.

These mobile devices are internet supported and have provided co-workers with access to e-mails, enabling them to have uninterrupted communications with colleagues. The ICT personnel can manage the devices remotely and install updates and software. All activities will be logged and content filtered at all times.

This effort underscores our commitment – outlined in the Strategy 2030 – to Simplify SOS by creating a simpler, agile and more digital organisation.

The cost implication of implementing such technology is often prohibitive for many NGOs in Africa, but SOS South Africa is financially self-sufficient and has funding from generous donors for these devices and hardware.

This technology will allow both improved efficiencies and cost cuttings enabling the instant transmission and sharing of critical data, and allow us to focus on the children.



# NOBUHLE'S STORY

## NOW I KNOW WHAT LOVE IS

**When a child is invited into an SOS family, the love, respect and protection they experience there is often transformative.**

By providing an orphaned or abandoned child with a safe and nurturing home, a loving SOS mother, quality education, food, healthcare, clothing and toys, the child has everything they need for a happier childhood... and a brighter future.

That's a priceless gift – and this was the experience of Nobuhle, a University of Cape Town graduate who lived in a loving SOS home for more than 10 years.

Nobuhle and her siblings did not have an easy start to life. Their early years were spent with a terminally ill mother and a father who was never involved in their upbringing.



Nobuhle

In 2005, after their mother passed away, a teacher asked a local SOS social worker to intervene, and Nobuhle and her elder sister were introduced to the organisation.

“When I first walked into the village, I felt a bit strange... in a good way. I was also so scared. I remember saying to myself: I must behave so that they don't chase me away,” Nobuhle recalls.

The girls' time in the village provided them with a bigger family: with a mother, brothers and sisters. “I found love and warmth in my SOS family. Not once did I go to bed on an empty stomach or worry about where my next meal would come from. Now I know what family is. And I know what love is,” she says.

Nobuhle's fondest memories are of the Christmas parties in the village. These were a first for her. She also remembers the feeling of walking into the village after school. “It felt like home. For the first time in my life, I knew what it felt like to have a home. I am thankful to everyone at SOS for creating a safe home for me. You took away my fears and nightmares and turned them into dreams. I still carry these dreams with me today. I know that SOS was sent by God to restore hope in destitute children.”

After matric, Nobuhle studied a Bachelor of Social Science majoring in international relations and psychology at the University of Cape Town; and went on to complete her honours in international relations at the University of Pretoria. She currently has a one-year internship at a healthcare administrator and plans to obtain her masters next year.

“As I venture into this new phase of my life, I am thankful that I had the privilege of belonging to an SOS family. I am grateful because you have equipped me with enough skills to realise my dreams, and the confidence to succeed. I am grateful because as much as there is no perfect home, SOS is a loving home. I stand as evidence that the work that you do, together with the parents that you have provided us with, is not in vain.”

We extend our sincere thanks to everyone who played a role in offering children like Nobuhle everything they need to build a better life.



# INDUSTRY INSIGHTS

## THOUGHTS ON CORRUPTION IN THE NGO SECTOR

STEPHEN MILLER

**People who commit corrupt acts do not necessarily look evil. They don't neatly fit the stereotype of shady characters, rubbing their hands together and cackling to themselves. No, on the surface corrupt individuals appear much like everyone else. They can be friendly, down-to-earth, family-oriented people. Just like you and me.**

What they lack though, is integrity. And this inherent deficiency allows them to justify their fraudulent behaviour. A corrupt person is able to justify his or her actions to themselves. "The organisation owes me" or "My family is suffering too", or "I only did it once". This clouding of the mind is what makes it possible to steal bread from the mouth of a child. It allows otherwise good people to commit terrible acts.

As a National Director, and like other leaders at SOS Children's Villages, I am in the business of building trust. It is only when we are in sync that we are able to implement the SOS Care Promise effectively. The thing about trust though, is that you have to give it before you can receive it, and that is incredibly difficult to do. It is a release of control (and we know how leaders love to be in control).

Corruption disrupts this delicate balance. Because when somebody abuses your trust, instinct tells you to become insular and cynical. You feel foolish and so you stop giving trust, you stop receiving it, and the downward spiral continues. We must avoid this at all cost.

At SOS Children's Villages South Africa, we have a dedicated ethics committee, strong reporting and responding procedures, and we speak openly with our partners when something goes wrong. In 2018, we also had a countrywide education campaign encouraging co-workers to report suspected corruption incidents. We went looking for it. And as expected, this boosted the number of reports and drew our committee into long and arduous investigations.

**Was it worth it? Absolutely.** Every time we discover a new scam, we learn and adapt. We make sure that it never happens again. We build a reputation for having zero tolerance and taking strong action. Most importantly, we renew our faith in all the co-workers who strive every day in the best interests of the children in our care. The idealists, the incorruptible. The real SOS Children's Villages.



# A MOTHER'S STORY

## MPONTSENG MOLOI

We are honoured to have provided hundreds of vulnerable children with SOS family homes in 2018. We are continually striving to improve our programmes and do our best for these children. One of the keys to success is a very special commodity: our SOS mothers and aunts.

These unique SOS family members step in to protect and raise children who have been failed by their own biological families.

Virginia Mpontseng Moloi is one of our SOS mothers. She successfully applied to SOS after her pastor recognised her skills as a Sunday school teacher and recommended her to SOS. She started her career as an SOS aunt; performing her duties for two years at SOS villages in Ennerdale, Mamelodi and Cape Town before finding a home as an SOS Pietermaritzburg mother in 1998. She has been in the Pietermaritzburg village ever since – offering a dedicated term of service.



“I really enjoy being part of SOS. Thanks to SOS I was able to obtain my matric certificate and driver’s licence; and I was able to build a house and buy a car. I have finally obtained my National Association of Child Care Workers (NACCW) certificate and I am very happy,” Mpontseng says.

As an SOS caregiver, Mpontseng builds close relationships with every child that is entrusted to her care.

“Children who have been abandoned need a lot of love and I readily provide each child with the security, love and stability that they need. I live with the children, guide their development, and run my household independently. I recognise and respect each child’s family background, cultural roots and religion,” she explains.

Mpontseng does not have children of her own but has helped shape the lives of the 24 children who have passed through her SOS home. She still has contact with most of them.

“They do not forget me. They visit and bring me chocolates on my birthday and on Mother’s Day. They still call me mother. It has been an honour to be a mother representative for such a long time.”

Like any family, SOS children get up to mischief and they have learned how to work the system when new aunts relieve the mothers. “I remember when a new aunt came into my house, the children ate their porridge with forks and knives. Another child will pretend that it’s her birthday so that she gets cake! Another child – a lazy child! – will take another child’s socks off the washing line and pretend that she has washed them,” laughs Mpontseng.

Nothing makes Mpontseng happier than seeing her children progress in life. “Some of my children have been re-united with their families, some are professionals with jobs, and others have their own houses. Most of my children leave SOS with good employment prospects. This is a proud achievement in a country with such a high unemployment rate among the youth.”

# FUND DEVELOPMENT

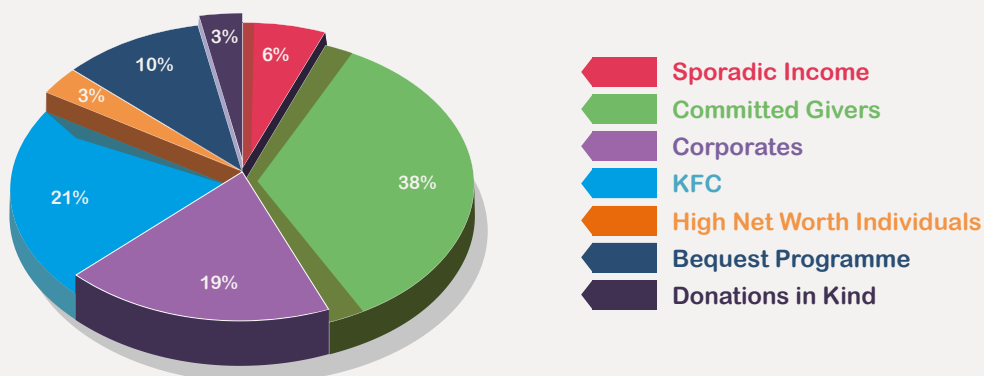


## OVERVIEW

2018 was a year with major contrasts. We saw a lot of regular corporate donors battling to maintain their commitments, yet others could make substantially more than the previous year.

Regardless of the amount, we remain truly humbled and inspired by your generosity and care for our children. 2018 was also the year, where we changed our fundraising strategy fairly drastically by moving from corporate donations being the main income stream, to reducing the risk and achieving better sustainability by changing our focus to individual giving, and more specially to committed giving.

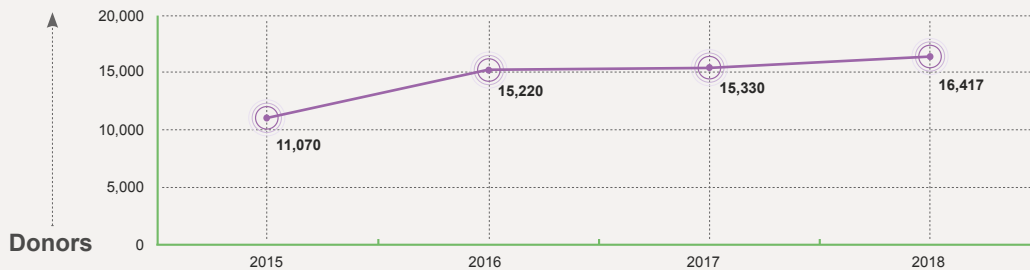
## 2018 INCOME STREAM





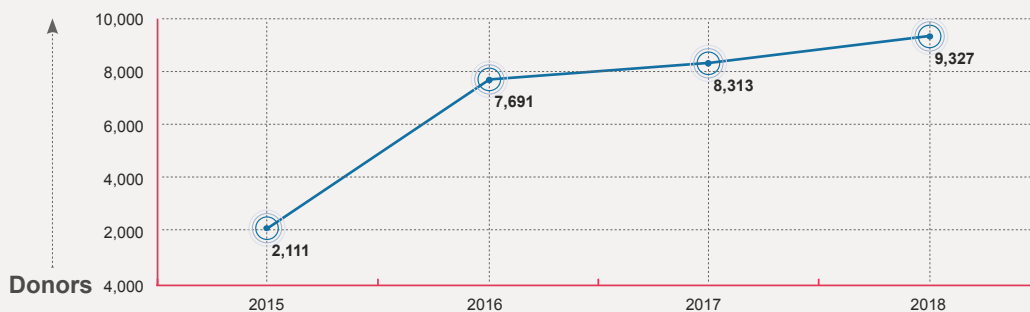
## INDIVIDUAL DONORS

We have continued the trend of increasing our individual giving, thereby reducing the risk and improving cash flow. We have found that the South African public are very generous when it comes to improving the lives of the children that we care for.



## COMMITTED DONORS

Committed giving remains a popular choice of donating to SOS Children's Villages. We invest heavily in increasing this form of donation as well as relying on a robust retention strategy. These donations are made up by Child Sponsors, Village or programme sponsors or simply a general commitment to SOS.



### Top Financial Donors of 2018:

- KFC Social Responsibility Trust
- HSBC Bank
- Johnson & Johnson
- Ford Motor Company
- Continental Tyre SA (Pty) Ltd
- ICI Dulux (Pty) Ltd
- Eastern Cape Educational Trust
- Faurecia Exhaust Systems SA (Pty) Ltd
- Hasbro
- Western Union
- SOS Canada
- The Miles Partnership Ltd
- National Basketball Association
- Cape Grace Hotel
- Schaeffler SA Rainbow Nation Club Foundation
- Metso Minerals
- Radisson Hospitality Group

### Top In Kind Donations:

- Evergreen Agency (SA) (Pty) Ltd
- Ford Motor Company
- Kargo International Logistics
- Megarom Interactive (Pty) Ltd
- The Creative Counsel
- Ster-Kinekor

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

FIGURES IN RAND	NOTE(S)	2018	2017
<b>Assets</b>			
<b>Non Current Assets</b>			
- Property, plant and equipment	4	21,824,051	22,859,340
- Other financial assets	5	-	3,301,646
		<b>21,824,051</b>	<b>26,160,986</b>
<b>Current Assets</b>			
- Trade and other receivables	7	9,334,539	7,307,818
- Cash and cash equivalents	8	15,515,332	19,036,853
		<b>24,849,871</b>	<b>26,344,671</b>
<b>Total Assets</b>		<b>46,673,922</b>	<b>52,505,657</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
- Reserves	8 & 9	7,623,804	8,066,515
- Accumulated Funds		23,214,348	29,182,045
		<b>30,838,152</b>	<b>52,344,657</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
- Retirement benefit obligation	6	647,552	658,466
<b>Current Liabilities</b>			
- Provisions	11	360,000	360,000
- Funds held on Behalf of Children	12	7,858,324	7,714,730
- Trade and other payables	13	3,604,071	3,764,588
- Deferred income	14	3,365,823	2,759,313
		<b>15,188,218</b>	<b>14,598,631</b>
<b>Total Liabilities</b>		<b>15,835,770</b>	<b>15,257,097</b>
<b>Total Equity and Liabilities</b>		<b>46,673,922</b>	<b>52,505,657</b>

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FIGURES IN RAND	NOTE(S)	2018	2017
Revenue	15	51,735,262	60,338,039
Other operating income	16	24,389,104	24,283,143
Other operating gains / (losses)	17	17,944	(574,978)
Other operating expenses	18	(82,732,411)	(92,342,752)
<b>Operating deficit</b>		<b>(6,590,101)</b>	<b>(8,296,548)</b>
Investment income	19	238,571	730,773
Finance costs	20	55,435	47,729
<b>Loss for the year</b>		<b>(6,406,965)</b>	<b>(7,613,504)</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Actuarial (loss) / gain on defined benefit liability		(3,443)	(117,592)
<b>Other comprehensive income for the year net of taxation</b>		<b>(3,443)</b>	<b>(117,592)</b>
<b>Total comprehensive loss for the year</b>		<b>(6,410,408)</b>	<b>(7,731,096)</b>

2018 Annual Financial, Audited









**Web** [www.sossouthafrica.org.za](http://www.sossouthafrica.org.za)

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**Telephone** 011 234 8708

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