

**DEPARTMENT OF  
PERFORMANCE  
MONITORING AND  
EVALUATION**

**ANNUAL REPORT 2011/12**



**THE PRESIDENCY  
REPUBLIC OF SOUTH AFRICA**





THE PRESIDENCY  
REPUBLIC OF SOUTH AFRICA  
DEPARTMENT OF PERFORMANCE MONITORING AND EVALUATION

## ANNUAL REPORT 2011/12

**Mr OC Chabane**

Minister in the Presidency for Performance Monitoring and Evaluation as well as Administration

I have the honour of submitting the Annual Report of the Department of Performance Monitoring and Evaluation for the period 01 April 2011 to 31 March 2012.



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**Dr Sean Phillips**

**Director-General**

**Date: 30 August 2012**

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THE PRESIDENCY  
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF PERFORMANCE MONITORING AND EVALUATION

# PART A: GENERAL INFORMATION

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# 1. LEGISLATIVE MANDATES



**Mr Jacob Zuma**  
President of the Republic of South Africa

The mandate of the department is derived from Section 85(2)(c) of the Constitution of the Republic of South Africa which states that the President exercises executive authority, together with the other members of the Cabinet, by coordinating the functions of state departments and administrations. This mandate has been further elaborated by the President in his 2010 and 2011 State of the Nation Addresses as well as various Cabinet decisions; and by the Minister for Performance Monitoring and Evaluation through the “Policy Framework on Performance Monitoring and Evaluation-Our Approach” document. Based on these sources, DPME has the following key mandates (the details of these mandates are provided in Section B):

- Facilitate the development of plans or delivery agreements for the cross cutting priorities or outcomes of government and monitor and evaluate the implementation of these plans
- Monitor the performance of individual national and provincial government departments and municipalities
- Monitor frontline service delivery
- Manage the Presidential Hotline
- Carry out evaluations of major and strategic government programmes
- Promote good M&E practices in government.

## Entities reporting to the Minister

The following entities report to the Minister:

- Government Communications and Information Systems;
- National Youth Development Agency; and
- Brand South Africa.

These entities are either voted funds directly or are funded through the Presidency (Vote I).





## 2. VISION, MISSION AND VALUES



### **Vision**

To strive for continuous improvement in service delivery through performance monitoring and evaluation

### **Mission**

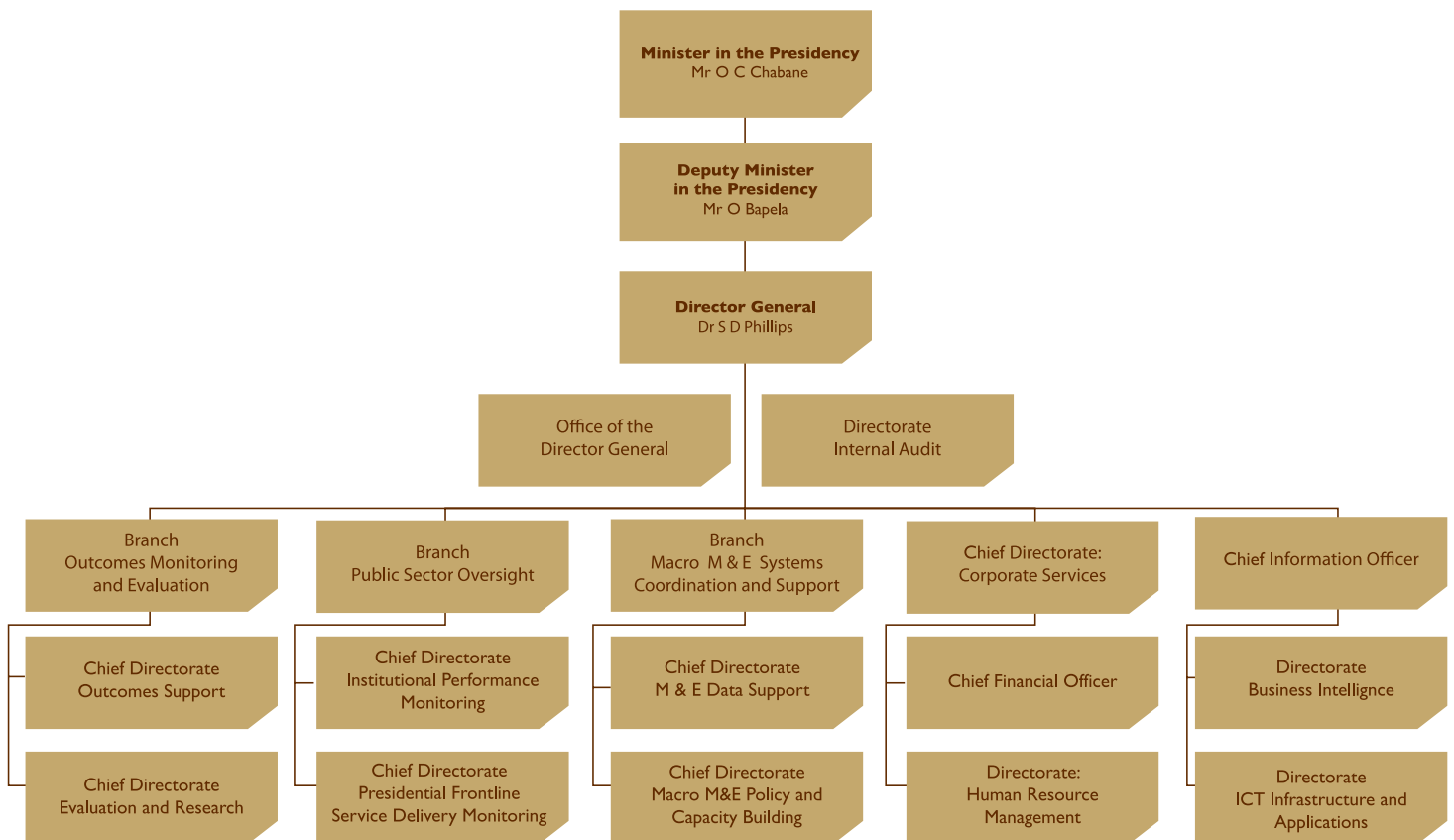
Our mission is to work with partners to improve government performance in achieving desired outcomes and to improve service delivery through changing the way government works. We will do this through priority setting; robust monitoring and evaluation related to the achievement of priority outcomes; monitoring of the quality of management practices; and monitoring of frontline service delivery.

### **Values**

We shall at all times be exemplary in all respects. This includes being client-focused (the President, Deputy President, government, and the public) and listening to our clients and treating them with dignity, courtesy, responsiveness and respect. It also includes being a learning organisation and not doing the same things over and over when they are clearly not working.

We will strive to have progressive management practices as well as to be compliant with all prescripts. We will also pay attention to the basics, such as not being late for meetings, running meetings efficiently, checking spelling and grammar in documents, and responding to e-mails, phone messages and all other requests timeously. We will pursue quality management practices in order to achieve value for money, efficiency and effectiveness. We will be accountable and transparent.

### 3. ORGANISATIONAL STRUCTURE



Clarification of Branch names due to changes in organisational structure effective 01 October 2011:

- Branch Public Sector Administration Oversight changed to Public Sector Oversight
- Branch Integrated Public Performance Data Systems changed to Macro M&E Systems Coordination and Support (normally referred to as the “Data Branch”)

## 4. Foreword by Minister



**Mr Collins Chabane**

Minister in the Presidency for Performance Monitoring, Evaluation and Administration

It gives me pleasure to present the Department of Performance Monitoring and Evaluation's first Annual Report. In my inaugural budget vote speech for the department for the financial year 2011/12, I gave a detailed account of progress we are making on the performance monitoring and evaluation work of the department since 2009, including:

- The adoption of the outcomes approach to ensure that government has an integrated and coordinated approach to planning and implementation
- The development of targets for 12 prioritised outcomes.
- The signing of performance agreements between the President and his Ministers, focusing on the targets for the 12 outcomes
- The signing of delivery agreements between coordinating ministers and other key stakeholders for the achievement of the 12 outcomes.

During the 2011/2012 financial year, the department has focused on the monitoring of the implementation of the delivery agreements for the outcomes and reporting quarterly to Cabinet. In November 2011, we reached the middle of the 2009 to 2014 electoral cycle. As a result, we produced a mid-term review which provided a frank assessment of progress against the delivery agreements and identified areas of focus for the remainder of the term. While good progress has been made, many challenges remain.

We hope that the review makes a contribution towards developing a culture of continuous improvement, and towards an accountable and transparent government. We will continue to pay attention to monitoring of the implementation of the delivery agreements and providing feedback to Cabinet on actions required to ensure that the targets are met.

We have been working with the outcome coordinating departments to revise and improve the delivery agreements, drawing on the results of our monitoring of their implementation over the past year.

On 23 November 2011, Cabinet approved a National Evaluation Policy Framework. The Evaluation Framework describes the evaluation methodologies to be used and sets quality standards for evaluations, based on best international practice.

The focus of the evaluations will be on programmes related to government's priorities. The aim of the National Evaluation Policy Framework is to improve the performance of government, accountability and decision making. The department started to implement evaluations in 2011, and one evaluation report on ECD was finalised.

During the course of the year, we also produced the 2011 Development Indicators, which provide a broad picture of the state of development of our country, with 83 socio-economic indicators based on data sourced from government systems, official statistics, and research done by local and international institutions.

In my budget speech, I committed the department to put more emphasis on performance monitoring of individual departments and monitoring of frontline service delivery. In this regard, in June 2011 Cabinet gave us a mandate to implement management performance assessments of all national and provincial departments on an annual basis. Following a series of workshops and consultations, we officially launched the Management Performance Assessment Tool (MPAT) in October 2011. Provincial governments through the Offices of the Premier further facilitated their own launches of the tool. A total of 30 national departments and 73 provincial departments from eight provinces participated in the assessment process for the financial year 2011/2012.

The assessment results revealed that some departments are doing well in some management areas. However, the assessments also revealed areas of weakness that require improvements. The result of these assessments will be used to develop case studies of good management practices that will be used as models of excellence for other departments. This will enable departments to learn from each and encourage the process of continuous improvement.

I am pleased that the Department obtained an unqualified audit report, and I will ensure that the matters raised in the report are addressed.

In conclusion, we are beginning to show how monitoring and evaluation can contribute to building a capable and developmental state which delivers effective and responsive services to its citizens. In this regard, I would like to thank and congratulate the Director General and his staff for a successful year and presenting the first annual report of the department.

I am pleased to submit the first Annual Report for the period ended 31 March 2012.

A handwritten signature in black ink, appearing to be 'OC', written over a horizontal line.

Mr Collins Ohm Chabane, MP  
Minister in the Presidency for Performance Monitoring, Evaluation and Administration

## 5. Overview by the Deputy Minister



**Mr Obed Bapela**

Deputy Minister in the Presidency for Performance Monitoring, Evaluation and Administration

During 2011, the President took a decision to transfer the Presidential Hotline to the Department of Performance Monitoring and Evaluation. The Hotline is an important source of information for monitoring the impact of government services on citizens. In particular, it enables government to track what are the important issues for citizens and the effectiveness of government responsiveness to their concerns. The data collected from the interactions with citizens through the Hotline is a resource that can be used to inform policy decisions, prioritisation and programming and service delivery improvements.

Since its inception, more than 130 000 cases have been logged on the hotline and the resolution rate is more than 80% - this is a responsiveness rate that we can be proud of, given that we started from a low base of 39% in November 2009. The department is also in the process of engaging with the management of departments and municipalities with high volumes of cases, with a view to both improve responsiveness and assist them with utilizing the information to inform service delivery improvements.

Through the Hotline, we are gradually making progress and living up to the President's promise that citizens will have a platform to communicate with government and get the assistance they deserve. The hotline has facilitated the unblocking of a delayed pensions and it has ensured that action is taken when community members alert us to cases that require the intervention of social welfare services, our interventions have saved businesses that would otherwise been liquidated due to unnecessary delayed payments by departments. The hotline has been a point of call for many of these businesses, which according to government policy should be paid within 30 days. The hotline also contributes to re-channel allegations of maladministration and mismanagement to relevant agencies with the aim to rid the state of any corruption, among other things. We are regularly informed of poor treatment at government frontline service offices, and we liaise with the relevant departments to ensure these are addressed.

The cases vary in nature and complexity. At the very simplest level, it may be a request for information about how to access a government service - this information can often be provided immediately by the call centre agent. But in many cases, it can be extremely complex and require detailed investigation, especially when cases are found to be the subject of a legal process - (in the courts or government disciplinary procedures) - thus, this may result in delays as the legal process need to run its course.

Last year, we undertook to place more emphasis on on-site monitoring of frontline service delivery. I am pleased to announce that from June 2011 until the end of the financial year, we conducted 122 unannounced monitoring visits in five provinces (Gauteng, Limpopo, Mpumalanga, Free State and Northern Cape). The monitoring teams consist of staff from the DPME as well as staff from the different Offices of the Premier. We monitored the quality of service delivery in selected offices of SASSA, Home Affairs, Driver's License Centres, health facilities, courts and schools. During these visits, we interviewed community members who are users of these facilities and staff, and produced a score card for every facility, with suggested improvements.

These monitoring visits highlighted that the service delivery improvement programmes of government are beginning to yield positive results. We have found examples of service sites where there are dedicated public servants who are committed to rendering excellent and qualitative service, are at work on time and who, in spite of less than required resources, do good work in serving the public. But, there are still facilities where the quality of service being experienced by citizens is unacceptable. The monitoring visits continue this year and we will again report to Departments, Provincial Executive Councils and Cabinet about our findings. Departments can expect that we will follow up with them to ensure that improvement-actions are implemented.

In conclusion, in the past year, the department was hard at work ensuring that the quality of service delivery improves. The department is committed to ensuring a better life for all as we continue with the programmes of the year.



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Mr Obed Bapela, MP

Deputy Minister in the Presidency for Performance Monitoring, Evaluation and Administration

## 6. Overview by the Accounting Officer



**Dr. Sean Phillips**  
Director-General of Performance Monitoring and Evaluation

The year 2011 has seen the establishment of the Department of Performance Monitoring and Evaluation as a separate budget vote from the Presidency. During the financial year 2010/11 the department was still funded under the Presidency Vote and its performance information was reported as part of the Presidency Annual Report. In March 2011, the department submitted its first strategic plan and annual performance plan to Parliament for the period covering 01 April 2011 to 31 March 2012.

The primary role of the Department is to change the culture and develop the skills of the public service in monitoring and evaluation, so that all managers at all levels regularly monitor and evaluate their own work and improve their performance. In this regard, in the past year we engaged in a range of monitoring and evaluation capacity building initiatives, including managing national and provincial monitoring and evaluation forums, learning networks and data forums; and developing guidelines and training courses for officials.

We were also involved in the monitoring of a range of key indicators of the management performance of government through FOSAD. These relate to management areas over which Directors-General have control, and which are of concern to citizens, labour, business and Parliament. They include, for example, reducing waiting times and turnaround times for a range of services, reducing the time taken to finalise disciplinary cases in the public service and the filling of vacancies. In addition we are monitoring the responsiveness of departments to the Anti-corruption Hotline.

In conclusion, the Auditor-General's report identifies some areas that require improvement. These have been or are being addressed. The Department will strive to improve on its current audit outcomes in the coming financial year.

A handwritten signature in black ink that reads "S Phillips".

**Dr. Sean Phillips**  
**Director-General**



# PART B: PERFORMANCE INFORMATION

# PART B: PERFORMANCE INFORMATION

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## I. Overall Performance

### I.1. Voted funds

Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	Over/Under Expenditure R'000
<b>R75,790</b>	<b>R96,202</b>	<b>R92,841</b>	<b>R3,361</b>
Responsible Minister	Mr O.C. Chabane		
Administering Dept.	Department of Performance Monitoring and Evaluation		
Accounting Officer	Dr S.D. Phillips		

### I.2 Aim of the vote

Improve government service delivery through performance monitoring and evaluation

### I.3. Key achievements with regard to strategic outcome oriented goals during the 2011/2012 financial year

#### I.3.1. Outcomes Monitoring and Evaluation *To advance the strategic agenda of government through the development and implementation of the outcomes approach, monitoring and reporting on progress and evaluating impact*

In summary, the Outcomes Monitoring and Evaluation Branch achieved the following:

- Institutionalised quarterly monitoring of the delivery agreements by Cabinet. This included providing guidelines for the functioning of the forums which coordinate the implementation of the Delivery Agreements and monitoring adherence to these guidelines. Quarterly monitoring reports were tabled to Cabinet, focusing on key areas of progress and challenges requiring unblocking.
- Initiated reviews of the delivery agreements
- Provided the political principals in the Presidency with briefing notes on matters before Cabinet
- Carried out a Mid-Term Review that provided an assessment of progress towards meeting government priorities
- Produced the National Evaluation Policy Framework
- Completed an evaluation of the Early Childhood Development Programme
- Completed a study of the quality of sanitation, on request of the Human Rights Commission
- Assisted the political principals in the Presidency with technical support for their hands-on monitoring visits.

### I.3.2. Data systems

#### *To promote monitoring and evaluation practice through a coordinated policy platform, quality capacity building and credible data systems*

The Data Branch has engaged in a range of initiatives, including:

- Managing national and provincial monitoring and evaluation forums
- Managing learning networks and developing training courses for officials
- Managing data forums linked to improving data for the 12 outcomes
- Developing guidelines on various aspects of M&E
- Providing the Programme of Action platform for the outcomes
- Production of the 2011 Development Indicators.

### I.3.3. Public Sector Oversight (PSO)

#### *To conduct institutional performance monitoring and front line service delivery monitoring*

- Developed a Management Performance Assessment Tool
- Completed assessments of 27 national departments and 60 provincial departments by the end of March 2012
- Developed high-level proposals for linking results of assessments of departments to individual assessments of Heads of Department
- Instituted monitoring of a range of indicators of the performance of national and provincial departments, on behalf of the Forum of South African Directors-General
- Assessed draft Annual Performance Plans of 33 national departments and provided accounting officers with an indication of whether or not these reflect commitments to relevant Delivery Agreements

- Developed and implemented a Frontline Service Delivery Monitoring Programme and conducted more than 100 unannounced monitoring visits
- Integrated the Presidential Hotline into the branch and developed improvement plans to enhance the efficiency and effectiveness of the Hotline
- Achieved a case resolution rate of 82% for the Presidential Hotline.

#### **1.4. Overview of the service delivery environment 2011/12**

DPME came into being as a result of the realisation by government that effective and efficient service delivery remains elusive and that current levels of service delivery do not meet the legitimate expectations of citizens. Monitoring and evaluation of key priority outcomes is aimed at increasing the strategic focus of government and implementing the constitutional imperative for cooperative governance. This is done through the development of Ministerial Performance Agreements and interdepartmental and intergovernmental delivery agreements, as well as regular monitoring of the implementation of the delivery agreements. It is also aimed at addressing the prevalent culture in government of focusing on activities rather than results.

This culture change includes increasing the use of evidence in policy making, planning and monitoring. There is a need to strengthen the monitoring of appropriate indicators so that results can be measured and to develop information management systems to enable reliable and accurate data on the indicators to be produced. Furthermore, there is a need to develop a culture of continuous improvement – where managers and leaders regularly review monitoring and evaluation information to inform improvements to policies and plans.

While the outcomes approach focuses on monitoring government's performance in terms of its priorities, the focus of monitoring of individual departments and municipalities is on the quality of management practices. Poor management practices are one of the main causes of poor performance.

One aspect of good monitoring practices is on-site verification of the results of service delivery programmes and then to use this information to take corrective actions. This practice is still

under-developed in most government monitoring systems, but the department has started a joint programme with Offices of the Premier to conduct unannounced monitoring visits in frontline service offices.

#### **1.5. Overview of the organisational environment 2011/12**

The organisational structure of the department has been reviewed to accommodate the additional functions of the Presidential Hotline and evaluation.

DPME is carrying out its mandates by forming partnerships with other departments and institutions which play a monitoring role (such as National Treasury, DPSA, the Auditor-General of South Africa, the Public Service Commission, and the Offices of the Premier).

DPME is part of the executive branch of government and therefore differs from the Auditor-General of South Africa and Public Service Commission which are independent bodies that report to Parliament.

The roles and functions of DPME are also different. Its main roles are to support the President in his or her monitoring and evaluation of the performance of government and to promote the use of monitoring and evaluation practices within government departments and municipalities. As far as possible, DPME uses the data produced by other institutions to avoid any duplication of collection of data.

Over the MTEF, the department will incrementally expand its organisational structure in line with its MTEF allocations. The department currently has 195 posts on its approved structure, of which 137 are filled. Based on current MTEF allocations the department will be able to expand to 202 staff in 2012/13 and 210 staff in 2013/14.

#### **1.6. Key policy developments and legislative changes**

During 2011/12, the Presidential Hotline was transferred to DPME. In addition, in November 2011 Cabinet approved the National Evaluation Policy Framework. These changes had significant implications for the department, and consequently a revised strategic plan was produced and submitted to Parliament in March 2012.

### 1.7. Departmental revenue and expenditure

Total expenditure for the financial year amounted to R92.8 million, resulting in a saving of R3.4 million (3.5% of final appropriation of R96.2 million). The Department does not provide any revenue generating services. Departmental revenue and expenditure are dealt with in more detail in Part C – Annual Financial Statements.

## 2. Programme Performance

The activities of the department are organized according to the following programmes:

Programme 1: Administration

Programme 2: Outcomes Monitoring and Evaluation

Programme 3: Data Systems

Programme 4: Public Sector Oversight

### 2.1. Programme 1: Administration

**Purpose:** The programme is responsible for providing strategic leadership, management, administrative, financial and human resource services to enable the department to achieve its strategic and operational goals

**Objective:** An efficient and effective department that complies with legislation, policy and good corporate governance principles

### Summary of performance indicators and targets:

The primary objective under Programme 1 was to put in place the necessary policies, governance systems and procedures to enable the department to function effectively and efficiently as a stand-alone department. While some targets were not fully achieved primarily due to insufficient capacity during the first six month of operations, the Programme succeeded in its overall objective of establishing the administrative foundations of the Department.

Programme 1: Administration	
Strategic Objective	Performance Indicator(s)
Approved Strategic Plan and Annual Performance Plan which are reviewed annually over the MTSF period	Strategic plan and APP developed, in place and being implemented
Ensure that the department complies with good corporate governance principles	<ul style="list-style-type: none"> <li>Annual risk assessment report and plans in place</li> <li>Final risk assessment reports issued as per timeframes indicated in the approved annual audit plan</li> </ul>
Participation in government structures to increase coordination and integration across all spheres of government	Participation in FOSAD and support FOSAD work and support the Presidency with regard to the President's Coordinating Council
Ensure that the department has an effective communication strategy and customer relations management strategy	Communication strategy and plan in place and being implemented
Ensure that the department has a functional organisational structure based on its service delivery models and mandates	Functional organisational structure in place and being implemented
Effective HR function	HR policies in place and being implemented
Provide corporate support services	Household, logistical and general support services to the Department to enable the department to execute its mandates
Sound financial management policies and practices developed and implemented	Compliance with financial management policies and procedures
Efficient and effective supply chain management function	<ul style="list-style-type: none"> <li>Supply chain strategy that promotes transparency and supports value for money developed and implemented</li> <li>Effective, efficient and customer oriented demand and acquisition management</li> </ul>
Efficient and effective asset management strategy and policies developed and implemented	Efficient and effective asset management systems in place

Programme I: Administration			
Performance Indicator	Annual target 2011/2012	Actual Achievement	Reasons for variance
<b>Strategic plan and APP developed, in place and being implemented</b>	Annual report	<b>Achieved</b> Inputs for the Annual Report made to the Presidency	
	Four quarterly reports	Four quarterly progress reports were produced against the APP targets	
	Revised APP and Strategic Plan	Revised strategic plan and new APP with revised targets and indicators for 2012/13 completed and submitted to Parliament	
<b>Annual risk assessment report and plans in place</b>	Risk management strategy and plan developed and implemented	<b>Partially achieved</b> Risk management strategy developed Strategic risk assessment conducted	The Department was still in the process of putting in place the required capacity for internal audit and risk management. Risk management will be implemented in full during the 2012/13 financial year
	Fraud risk management plan developed and implemented	Fraud risk management plan developed and implemented Draft risk register compiled and presented to Audit Committee on the 14 <sup>th</sup> November 2011	
<b>Final risk assessment reports issued as per timeframes indicated in the approved annual audit plan</b>	Annual audit plan developed and executed	<b>Achieved</b> All planned audits completed All of these audits included risk assessment components	
<b>Participation in FOSAD and support FOSAD work and support the Presidency with regard to the President's Coordinating Council</b>	Attend and contribute to FOSAD meetings, PCC, and Cabinet Makgotla	<b>Achieved</b> Range of indicators of management performance of departments regularly reported on to FOSAD  Various reports prepared and presented to PCC	

<b>Programme I: Administration</b>			
<b>Performance Indicator</b>	<b>Annual target 2011/2012</b>	<b>Actual Achievement</b>	<b>Reasons for variance</b>
<b>Communication strategy and plan in place and being implemented</b>	Communication strategy and plan developed and implemented	<b>Partially achieved</b> A draft Communication Strategy was developed but not finalised and not implemented	The position of a communication specialist became vacant during the financial year. The post was filled in February 2011 and the plan will be finalised in 2012.
	Management Meetings	<b>Achieved</b> Regular management meetings were held to review progress and provide strategic direction in pursuit of the departmental objectives  Two management meetings were held monthly	
	Quarterly M&E forums with provinces	<b>Achieved</b> Reported under programme three	
<b>Functional organisational structure in place and being implemented</b>	Approved functional organisational structure in place and being implemented	<b>Achieved</b> The department has an approved organisational structure	
	Develop and obtain approval for 2012 organisational structure by August 2012	Job evaluation concluded for all newly created posts	
	Conclude recruitment process for vacant funded posts	73 funded vacancies filled by 31 March 2011	
	Initiate recruitment process for funded vacant posts on 2012 establishment by March 2012	Interviews commenced for posts on new structure approved in October 2011	
<b>HR policies in place and being implemented</b>	Delegations and critical policies approved and implemented by 01 April 2011	<b>Achieved</b> HR policies and delegations of authority completed and implemented	
	All HR related policies in place by August 2011	All policies reviewed and referred to bargaining chamber	
<b>Household, logistical and general support services to the Department to enable the Department to execute its mandates</b>	Office accommodation and general support services provided	<b>Achieved</b> Office space allocated and support given to all branches, bi-weekly reporting given to management	
<b>Compliance with financial management policies and practices</b>	Financial policies and delegations implemented	<b>Achieved</b> Delegations of authority and financial policies completed and implemented	

<b>Programme I: Administration</b>			
<b>Performance Indicator</b>	<b>Annual target 2011/2012</b>	<b>Actual Achievement</b>	<b>Reasons for variance</b>
<b>Supply chain strategy that promotes transparency and supports value for money developed and implemented.</b>	Efficient and effective implementation of supply chain management strategy and policies	<b>Achieved</b>  SCM policies completed and implemented  SCM procedures and checklists revised  Payments to suppliers processed within an average of 10 days from receipt of a legitimate invoice	
<b>Effective, efficient and customer oriented demand and acquisition management</b>	Procurement plan developed and implemented. Suppliers' database developed	<b>Partially achieved</b>  Supplier's database developed  Demand plan for 2012/13 not completed	The finalisation of the demand plan was dependent on the finalisation of the evaluations plan and ICT procurement plan, which were not completed by the end of the financial year
<b>Efficient and effective asset management systems in place</b>	Establishment of a comprehensive asset register. Implementation of asset management policy frameworks	<b>Partially achieved</b>  Assets register updated monthly and reconciled with the Assets movement forms	Delays in verification process for assets transferred from Presidency



## 2.2. Programme 2: Outcomes Monitoring and Evaluation

**Purpose:** Coordination of government's strategic agenda through the development of performance agreements between the President and Ministers, facilitation of the development of plans or delivery agreements for priority outcomes, and monitoring and evaluation of the implementation of the delivery agreements

**Objective:** To advance the strategic agenda of government through the development and implementation of the delivery agreements for the outcomes, monitoring and reporting on progress and evaluating impact

Programme 2: Outcomes Monitoring and Evaluation	
Strategic Objective	Performance Indicator(s)
Focused and prioritised outcomes	Development and implementation of the outcomes approach
Signed Ministerial Performance Agreements	Performance agreements process between the President and all 34 Cabinet Ministers in place
Signed Delivery Agreements	Number of Delivery Agreements for the 12 priority outcomes signed and refined
Delivery initiatives	Number of initiatives to facilitate unblocking the outcomes and to address issues raised during executive visits and from FLSD and MPAT monitoring (see PSAO)
Establish and Support Implementation Forums	Implementation Forums established for all outcomes and supported to function effectively as per guidelines
Advice to the President and other Principals	Number of briefing notes or reports or presentations as requested
In year monitoring and evaluation reports	Timely reporting of progress against each outcome

Programme 2: Outcomes Monitoring and Evaluation			
Performance Indicator	Annual target 2011/2012	Actual Achievement	Reasons for variance
<b>Development and implementation of the outcomes approach</b>	National departments & Premiers' Offices supported to translate delivery agreement into provincial targets for concurrent functions	<b>Partially achieved</b>  Achieved with some relevant provincial departments for delivery agreements related to concurrent functions	Some provincial departments have not set provincial targets
	Evidence base for outcomes monitoring researched and strengthened & tools developed and refined	<b>Partially achieved</b>  Research unit established. National Evaluation Policy Framework put in place. Guidelines for evaluation developed. Diagnostic review of Early Childhood Development completed  Some departments have developed strong systems for collecting and managing data related to the outcomes  Delivery trajectories developed for access to water, sanitation, electricity and refuse removal as well as Community Works Programme  Completed State of Sanitation report as requested by the South African Human Rights Commission	Some departments have not yet sufficiently strengthened their data collection and management systems
	Outcomes approach promoted and communicated	<b>Partially achieved</b>  At least 30 presentations done to other departments to promote outcomes approach. Assisted the coordinating departments for all the outcomes to define and develop indicators and targets, with the collection and management of data related to these, and to produce progress reports	There is a need for the department's communications initiatives about its work to be strengthened
	Report on alignment of the APP and strategic plans of 45 national departments to the Outcomes	<b>Partially achieved</b>  33 letters were prepared on the alignment of APPs to the Delivery Agreements	Some departments did not submit APPs for review
<b>Performance agreements process between the President and all 34 Cabinet Ministers in place</b>	Ministerial Performance reviews supported through briefing notes on progress against target as requested	<b>Achieved</b>  Department provided briefing notes as and when requested by the President	

Programme 2: Outcomes Monitoring and Evaluation			
Performance Indicator	Annual target 2011/2012	Actual Achievement	Reasons for variance
<b>Number of Delivery Agreements for the 12 priority outcomes signed and refined</b>	Refinements to delivery agreement initiated and reflected on the POA	<p><b>Partially achieved</b></p> <p><b>Refinement of Delivery Agreements completed:</b></p> <p>Outcome 1, 2, 5 and 8</p> <p><b>Delivery agreements complete but awaiting formal approval:</b></p> <p>Outcome 6 and 9</p> <p><b>Delivery agreements under review:</b></p> <p>Outcome 3, 4, 7, 10, 11, and 12</p>	The review of the Delivery Agreements has taken longer expected in some Implementation Forums
<b>Number of initiatives to facilitate unblocking the outcomes and to address issues raised during executive visits and from FLSD and MPAT monitoring (see PSAO)</b>	12 initiatives facilitated to investigate and unblock delivery bottlenecks and improve implementation of the outcomes facilitated	<p><b>Achieved</b></p> <p>23 initiatives to unblock bottlenecks undertaken</p>	
	10 Presidential sites monitored for service delivery improvements	<p><b>Achieved</b></p> <p>31 assessment reports produced, related to at least 15 Presidential hands-on monitoring sites</p>	
	Initiatives from FLSD & MPAT supported as required	<p><b>Achieved</b></p> <p>Six initiatives supported</p>	
<b>Implementation Forums established for all outcomes and supported to function effectively as per guidelines</b>	Participation in and technical support provided for Implementation Forums in at least 48 meetings across outcomes	<p><b>Achieved</b></p> <p>Technical support provided to 58 Implementation Forum meetings</p> <p>Review of Implementation Forums completed</p>	
<b>Number of briefing notes or reports or presentations as requested</b>	Provide advice through at least 48 briefing notes and presentations	<p><b>Achieved</b></p> <p>More than 200 briefing notes produced, providing advice to Presidency Principals on Cabinet memoranda</p>	DPME was requested to provide briefing notes on general Cabinet memoranda submitted by departments

Programme 2: Outcomes Monitoring and Evaluation			
Performance Indicator	Annual target 2011/2012	Actual Achievement	Reasons for variance
<b>Timely reporting of progress against each outcome</b>	Quarterly progress update on PoA and quarterly reporting on progress to cabinet committees facilitated	<b>Partially achieved</b> 40 quarterly progress reports facilitated  Progress partially updated on POA	DPME and departments were not able to fully complete all the fields on the POA
	One midyear stocktaking report on outcomes to the executive	<b>Achieved</b> One Mid-Term Review Report with a section on all 12 priority outcomes	
	Annual report to Executive providing comprehensive assessment of the status of each outcome	<b>Achieved</b> Annual report coincided with Mid-Term Review	
	Annual report on progress to public	<b>Achieved</b> Annual report coincided with Mid-Term Review, Mid Term Review made public	

### 2.3. Programme 3: Data Systems (M&E Systems Coordination and Support)

**Purpose:** To coordinate and support an integrated government-wide performance monitoring and evaluation system through policy development and capacity building. In addition, the purpose is to improve data access, data coverage, and data quality and data analysis across government

**Objective:** To promote monitoring and evaluation practice through a coordinated policy platform, quality capacity building and credible data systems

Programme 3: M&E Systems Coordination and Support	
Strategic Objective	Performance Indicator(s)
<b>Data Systems</b>	
Reports on the performance of Government in achieving the 12 Outcomes (POA reports)	Quarterly POA reports produced on time and with sufficient quality
Establish Data Forums	Data forums established and meeting quarterly and improving data quality

Programme 3: M&E Systems Coordination and Support	
Strategic Objective	Performance Indicator(s)
Develop a Government-Wide Monitoring and Evaluation System (GWM&ES) to provide leadership to M&E community in government	<ul style="list-style-type: none"> <li>Government Wide Monitoring and Evaluation System Coordinating Forum established and operational</li> <li>Evaluation policy drafted (Re-engineering of PME guidelines, policy docs, manuals, etc. to align with coordination of government)</li> <li>Coordination of centre of government institutions with regard to performance information</li> </ul>
ME capacity building	<ul style="list-style-type: none"> <li>M&amp;E learning network established and operational</li> <li>PALAMA M&amp;E curriculum revised and capacity building programme developed</li> </ul>
Technical and data support to institutional performance monitoring activities	Technical and data support provided
Provide data (and analysis) to support government performance reviews and evaluation in OME and PSAO branches	<ul style="list-style-type: none"> <li>20 year review conducted meeting time and quality standard with appropriate support including data and modelling</li> <li>Publication of the Development Indicators report</li> </ul>
Legislation on the PME approach	Results Act finalised
Business Systems & ICT	
ICT operations support	ICT infrastructure implemented and fully supportive of business operations
Data warehousing and modelling	Integrated data warehouse established
Implement business intelligence support tools	Business intelligence support applications set up
Develop Geo-information systems	Monitoring and evaluation Geo-information system implemented
Implement knowledge management and documents management system	Knowledge management and documents management system fully established
Develop and implement M&E IT Guidelines and Geo-information policy	<ul style="list-style-type: none"> <li>M&amp;E IT Guidelines in place</li> <li>Progress on GIS policy development</li> </ul>
Departmental information policies and plans	Information strategy developed and implemented
Develop a functional Programme of Action (PoA) system	Functional PoA system in place

Programme 3: M&E Systems Coordination and Support			
Performance Indicator	Annual target 2011/2012	Actual Achievement	Reasons for variance
<b>Quarterly POA reports produced on time and with sufficient quality</b>	12 POA reports produced quarterly	<p><b>Partially achieved</b></p> <p>Quarterly reports for most outcomes provided to Cabinet</p> <p>Data on POA partially updated</p>	Difficulties were experienced in capturing detailed progress data on the POA for some outcomes

<b>Programme 3: M&amp;E Systems Coordination and Support</b>			
<b>Performance Indicator</b>	<b>Annual target 2011/2012</b>	<b>Actual Achievement</b>	<b>Reasons for variance</b>
<b>Data forums established and meeting quarterly and improving data quality</b>	10 Data Forums	<p><b>Achieved</b></p> <p>10 data forums held in quarter 1 and 2 and 11 data forums held in quarter 3 and 4</p> <p>Projects initiated to improve data quality in each forum. Officials of departments gave positive assessment of value of data forums</p> <p>Consolidated data forum report submitted to DPME management after each quarter</p>	
<b>Government Wide Monitoring and Evaluation System Coordinating Forum established and operational</b>	GWM&E coordinating forum established and operational.	<p><b>Achieved</b></p> <p>National and provincial M&amp;E Forums established</p>	
<b>Evaluation policy drafted (Re-engineering of PME guidelines, policy documents, manuals, etc. to align with coordination of government)</b>	Evaluation Policy finalised. PME guidelines aligned	<p><b>Achieved</b></p> <p>The National Evaluation Policy was approved by Cabinet on 23 November 2011</p> <p>Guidelines reworked</p>	
<b>Coordination of centre of government institutions with regard to performance information</b>	Concept note on performance information coordination consulted and produced	Concept note on performance information coordination produced and discussed with Office of Auditor General	
<b>M&amp;E learning network established and operational</b>	M&E learning network established and operational	<p><b>Achieved</b></p> <p>M&amp;E learning network established in the first quarter. Approximately 300 M&amp;E practitioners from all spheres of government exposed to good practice</p>	
	African M&E workshop run with 6 countries participating	<p><b>Achieved</b></p> <p>African M &amp; E workshop held with seven countries in attendance during March 2012</p>	
<b>PALAMA M&amp;E curriculum revised and capacity building programme developed.</b>	PALAMA M&E curriculum revised and capacity building programme developed in consultation with stakeholders	<p><b>Achieved</b></p> <p>Seven PALAMA courses (curriculum and learning material) were reviewed and revised and an eighth course was added.</p> <p>Preliminary M&amp;E Capacity Development Programme developed and implemented in consultation with stakeholders</p>	
<b>Technical and data support provided</b>	The development of the MPAT system completed and all existing data sources identified	<p><b>Achieved</b></p> <p>IT system for MPAT developed and data sources identified</p>	

Programme 3: M&E Systems Coordination and Support			
Performance Indicator	Annual target 2011/2012	Actual Achievement	Reasons for variance
<b>20 year review conducted meeting time and quality standard with appropriate support including data and modelling</b>	20 year review planned: task teams, steering committee established. Technical support in developing evaluation proposals.	<b>Partially achieved</b> Proposal for 20 year review approved by DG: Presidency.	Establishment of Steering Committee and task teams had to await approval by Cabinet of plan for 20 year review.
	Implementation of evaluations supported	National Evaluation Policy approved.	
	Data provided for PAT and FOSAD trajectory projects supported.	Data support provided to public sector oversight branch.	Framework for modelling overtaken by other priorities.
Framework on modelling needs of DPME.	Framework of modelling needs not developed.		
<b>Publication of the Development Indicators report</b>	2011 edition of the Development Indicators produced	Development Indicators report produced.	
<b>Results Act finalised</b>	Position paper developed and consulted with relevant stakeholders.	<b>Achieved</b> Position paper on PME legislation finalised and discussed with DPSA and National Treasury, state law advisors and the National Planning Commission.	

Programme 3: Business Systems & ICT			
Performance Indicator	Annual target 2011/2012	Actual Achievement	Reasons for variance
<b>ICT infrastructure implemented and fully supportive of business operations</b>	Data Centre built	<b>Partially achieved</b> Phase I completed and Cabinets installed in basement of Union Buildings	Completion of Data Centre awaiting finalisation of detailed IT infrastructure design by SITA
	GIS and IT work area network with Data Centre	<b>Partially Achieved</b> Wiring completed	
	New staff members hardware configured and linked to Presidency's ICT infrastructure	<b>Achieved</b> All new staff members were connected to ICT infrastructure within the specified turnaround time	
	DPME website established	<b>Achieved</b> Website implemented	
<b>Integrated data warehouse established</b>	PoA database component developed	<b>Achieved</b> Database in place	Awaiting DIRCO decisions regarding changes to database
	Modification to DIRCO's Bilateral Agreements Database to accommodate M&E functionalities	<b>Partially achieved</b> Proposals submitted to DIRCO	
<b>Business intelligence support applications set up</b>	Integrated DPME projects dashboard	<b>Not achieved</b>	This project was postponed pending the completion of subsystems such as MPAT system

Programme 3: Business Systems & ICT			
Performance Indicator	Annual target 2011/2012	Actual Achievement	Reasons for variance
<b>Monitoring and evaluation Geo-information system implemented</b>	Spatial database developed	<b>Achieved</b> Spatial database system put in place	
	12 outcomes spatially enabled	<b>Partially achieved</b> 25 indicators were mapped	Non-availability of disaggregated data for some outcomes
<b>Knowledge management and document management system fully established</b>	Document Management System (DMS) developed in Share-Point	<b>Partially achieved</b> The software was procured. File structure developed and approved by National Archives Services	Hardware not yet available for deployment of DMS
<b>M&amp;E IT Guidelines in place</b>	Stakeholder workshops held	<b>Not achieved</b>	Required capacity in DPME not yet in place. Will be done in 2012/13
	Draft M&E IT guidelines developed	<b>Not achieved</b>	
<b>Progress on GIS policy development</b>	Attend 90% of scheduled policy formulation / discussion meetings and review all draft components of policy	<b>Partially achieved</b> At least 90% of the meetings were attended. Review took longer than scheduled.	The questionnaire component of the project took longer than anticipated.
	100% review of all drafted components of policy	<b>Not achieved</b>	The project took longer than anticipated.
<b>Information strategy developed and implemented</b>	Information/data management component of information strategy developed and implemented	<b>Partially achieved</b> Draft Information Strategy completed	Required capacity in DPME not yet in place. Strategy will be approved and implemented in 2012/13
	Hardware component of strategy completed and implemented	<b>Partially achieved</b> Draft document on hardware component completed	Required capacity in DPME not yet in place. Strategy will be approved and implemented in 2012/13
	File plan completed and implemented	<b>Partially achieved</b> Plan approved by Heritage and Services Council. Implementation delayed.	Heritage and Services Council took longer than anticipated in File Plan approval.
<b>Functional POA system in place</b>	PoA business Intelligence Interface developed	<b>Achieved</b> PoA business intelligence interface developed and enhancements done on the system as per agreed actions	
	POA hosting environment established and new PoA commissioned	<b>Achieved</b> POA hosting environment established and new POA commissioned	



## 2.4. Programme 4: Public Sector Oversight

**Purpose:** Conduct institutional performance monitoring and frontline service delivery monitoring

**Objective:** To monitor the quality of management practices in departments and the quality of front line service delivery

Programme 4: Public Sector Oversight	
Strategic Objective	Performance Indicator(s)
<b>Institutional Performance Assessment</b>	
Develop an institutional performance assessment tool	Functional Management Performance Assessment Tool (MPAT)
Assessment of 45 annual performance plans for all national departments	Number of APP assessments
Institutional performance assessment of national departments and provincial government departments and municipalities	Number of pilot management performance assessment reports
Management of the HOD performance assessment process	HOD performance assessment review plan
Develop and implement a framework for monitoring of frontline service delivery (FSLD)	<ul style="list-style-type: none"> <li>Develop a framework for FSD</li> <li>Number of reports on FSD sites monitored</li> </ul>
Facilitate at least 3 initiatives per year to address weaknesses identified in institutional performance assessments and in frontline service delivery monitoring	Number of intervention/ improvement initiatives
<b>Presidential Hotline (from revised strategic plan)</b>	
Monitoring of frontline service delivery  Outputs: Presidential Hotline case resolution performance reports and Presidential Hotline performance improvement programme	<ul style="list-style-type: none"> <li>Number of DPME case resolution reports submitted to FOSAD Manco and to G&amp;A Cluster per annum</li> <li>Improvement plan developed and approved by Director General or top management meeting</li> <li>Technical support to the five national departments and three provinces with the highest case loads and low resolution rates (calculated as per criteria in improvement plan)</li> <li>Number of call centre operators</li> <li>National average case resolution rate (average national and provincial resolution rate)</li> </ul>

Programme: 4: Public Administration Oversight			
Performance Indicator	Annual target 2011/2012	Actual Achievement	Reasons for variance
<b>Functional Management Performance Assessment Tool</b>	Develop and pilot the tool	<b>Achieved</b>  Tool developed, piloted and implemented	
<b>Number of APP assessments</b>	45 APP assessments	<b>Partially achieved</b>  33 departments submitted APPs for assessment and all of these were assessed	Some departments did not submit APP's within Treasury planning time frame, to enable assessment. Letters were sent to all national departments reminding them to submit APP's on time in the next cycle

Programme: 4: Public Administration Oversight			
Performance Indicator	Annual target 2011/2012	Actual Achievement	Reasons for variance
<b>Number of pilot management performance assessment reports</b>	20 Provincial Departments	<b>Achieved</b> 60 provincial departments assessed	
	20 National Departments	<b>Achieved</b> 27 national departments assessed	
	Conduct research on how to assess municipalities	<b>Achieved</b> Preliminary work conducted with COGTA, KZN local government and DBSA and a report was produced	
<b>HOD performance assessment review plan</b>	Undertake a review of the content and process for HoD performance assessments by Dec 2011  Put in place management arrangements for the transfer of function from OPSC to DG-Presidency by March 2012	<b>Partially achieved</b>  Memo completed to go to Cabinet committee and Cabinet	Consultation process took longer than envisaged. Memo submitted to Cabinet in first quarter of 2012/13
<b>Develop Framework for Frontline Service Delivery (FSD)</b>	Develop a framework for DPME FSD monitoring by June 2011	<b>Partially achieved</b>  Draft framework completed by January 2012	Department had not yet put in place sufficient capacity to achieve this output. This work will be completed in the 2012/13 financial year
	Develop a framework for citizen-based FSD monitoring by Dec 2011	<b>Partially achieved</b>  First research and consultations concluded August 2011 and workshop report produced	
<b>Number of reports on FSD sites monitored</b>	At least 2 DPME FSD monitoring reports produced per year	<b>Achieved</b>  One Cabinet report produced and approved by G&A Cabinet Committee 29 February. Seven sector reports produced and submitted to national sector departments	
	At least 100 FSD offices monitored per year starting with 60 in 2011/12	<b>Achieved</b>  122 offices monitored. All findings of all 2011 visits are summarized in seven sector reports produced for DoT, Health, Education, SAPS, Justice, SASSA. And Home Affairs	

Programme: 4: Public Administration Oversight			
Performance Indicator	Annual target 2011/2012	Actual Achievement	Reasons for variance
<b>Number of intervention / improvement initiatives</b>	Develop delivery support framework by September 2011	<b>Partially achieved</b> Draft framework completed by January 2012	This work was more complicated and took longer than originally envisaged
	Three support interventions facilitated, linked to FSD and management weaknesses	<b>Partially achieved</b> Arising from the 2011 frontline service delivery monitoring visits, two sites were identified for immediate improvement support – being SASSA Bloemfontein and Mamehlabe High School in Limpopo Province. Working with the relevant national and provincial stakeholders, intervention plans were produced and regular monitoring meetings were held to ensure that the intervention plans are being implemented	The MPAT and FSD programmes commenced in mid-2011 and the focus in the first year was on conducting the assessments to create baseline findings – in the second year of these two programmes more focus will be on improvement support

The Presidential Hotline was transferred to DPME on 01 October 2011. The indicators and targets below are from the revised strategic plan which was submitted to Parliament in March 2012.

Presidential Hotline			
Performance Indicator	Annual target 2011/2012	Actual Achievement	Reasons for variance
<b>Number of DPME case resolution reports submitted to FOSAD Manco and to G&amp;A Cluster per annum</b>	Monthly resolution reports to FOSAD Manco Once to G&A Cluster by end of the financial year	<b>Achieved</b> Monthly reports were submitted to FOSAD Cabinet Memo tabled 29 Feb 2012	
<b>Improvement plan developed and approved by Director General or top management meeting</b>	Improvement plan approved by end March 2012	<b>Achieved</b> Hotline Improvement Plan approved by the DG on 30 March 2012	
<b>Technical support to the five national departments and three provinces with the highest case loads and low resolution rates (calculated as per criteria in improvement plan)</b>	Plan for technical support approved by Director General or top management meeting by end March 2012	<b>Achieved</b> Hotline Technical Support Plan approved by the DG on 30 March 2012	
<b>Number of call centre operators</b>	20 call centre operators (no increase in budget for 2011/12)	<b>Achieved</b> 20 call centre operators	
<b>National average case resolution rate (average national and provincial resolution rate)</b>	80% case resolution rate at end March 2012	<b>Achieved</b> 82% case resolution rate at March 2012	

# PART C: ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012





# PART C: ANNUAL FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2012

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## I. Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2012.

### **Audit Committee Members and Attendance:**

The audit committee consists of the members listed hereunder and should meet four (4) times per annum as per its approved terms of reference. During the current year four meetings were held. All members were appointed by National Treasury on the 18 October 2010 as it is a joint Audit Committee with the Presidency.

Name of Member	Number of Meetings Attended
Mr. George Negota (Chairperson)	3
Mr. Stewart Patterson	4
Ms. Lorraine François	4
Mr. Cedric Boltman	4
Ms. Ntombi Langa-Royds	4
Mr. Anton Bishof	3

### **Audit Committee Responsibility**

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.

The Audit Committee also reports that it has adopted appropriate formal terms of reference in its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

### **The effectiveness of internal control**

The system of internal control was not entirely effective for the year under review. During the year under review, several deficiencies in the system of internal control and/or deviations were reported by the internal auditors and the Auditor-General of South Africa.

### **Risk Management**

Risk Management is not yet fully effective in that:

- Although a strategic risk assessment took place in September 2011, an approved risk register was not available for the 2011/12 financial year. No reporting against mitigation plans took place for the year under review.
- Operational risk assessment did not take place

### **The quality of in year management and monthly/quarterly reports submitted in terms of the PFMA.**

The Audit Committee is satisfied with the content and quality of quarterly financial and performance reports prepared and issued by the Accounting Officer of the Department during the year under review.

### **Evaluation of Financial Statements**

The Audit Committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General of South Africa and the Accounting Officer;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed information on predetermined objectives to be included in the annual report;
- reviewed the department's compliance with legal and regulatory provisions;

- reviewed significant adjustments resulting from the audit, and
- interim financial statements were not submitted to the Audit Committee for review.

The Audit Committee concurs with and accepts the Auditor-General's conclusions on the annual financial statements, and is of the opinion that the audited annual financial statements should be accepted read together with the report of the Auditor-General of South Africa.

**Internal audit**

The Audit Committee is satisfied that the internal audit function is operating in terms of the International Standards for the Professional Practice of Internal Auditing.

**Auditor-General of South Africa**

The Audit Committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.



**Chairperson of the Audit Committee**  
**Date: 30 July 2012**



## 2. Report of the Accounting Officer

### 2.1 General review of the state of financial affairs

The Department operated under Vote 1 (The Presidency) until the end of the 2010/11 financial year. These are therefore the first annual financial statements produced by the DPME as a stand-alone Department.

While our work on the outcomes approach under Programmes 2 and 3 was well established at the beginning of the financial year, our role in terms of evaluations under Programme 2 and frontline service delivery monitoring and institutional performance monitoring under Programme 4 was still being refined.

The Presidential Hotline was transferred from the Presidency to the Department with effect from 01 October 2011. R4.2 million was transferred from the Presidency's budget and an additional R16.2 million was appropriated in the Adjustments Appropriations Act for the Hotline, leading to an overall increase in the Department's budget from R75.8 million to R96.2 million.

A more detailed overview of the operations of the Department is presented in our report on predetermined objectives in Part B of the annual report.

### Spending trends

As indicated in the Appropriation Statement, total expenditure for the financial year amounted to R92.8 million, resulting in a saving of R3.4 million (3.5% of final appropriation). Savings on compensation of employees and goods and services before shifts and virement amounted to R3.4 million (6.1%) and R2.4 million (7.1%) respectively while expenditure on capital assets exceeded the budget before shifts and virement by R2.7 million (87.3%).

Savings on compensation of employees can be attributed in delays in the filling of vacant funded posts.

Total virement approved by the CFO amounted to R0.5 million from Programme 1, R1.6 million from Programme 2, R0.7 million to Programme 3 and R1.4 million to Programme 4. The purpose of the virement was to utilise savings under Programmes 1 and 2 for expenditure on the Department's ICT system under Programme 3 and for the development of the Management Performance Assessment Tool (MPAT) and Frontline Service Deliver (FSD) software applications and payments for services delivered to the Presidential Hotline under Programme 4.

Savings after shifts and virement can be attributed to compensation of employees (R1.3 million) as well as delays in delivery of computer equipment (R 1.3 million under Programme 3) and completion of the MPAT and FSD software applications projects (R0.5 million under Programme 4). Further details are available in note 4.1 under notes to the appropriation statement.

### Fruitless and wasteful expenditure

Fruitless and wasteful expenditure to the amount of R5,885.66 was identified. R1,575.72 was condoned while R1,829.02 was recovered from officials concerned and R2,482.92 is still under investigation. See note 20 of disclosure notes to the annual financial statements.

### Irregular expenditure

The Department incurred R408,000 in irregular expenditure on finance leases, condoned through Treasury Practice Note 5 of 2006/7. A further R1 million in possible irregular expenditure is still under investigation. See note 19 under disclosure notes to the annual financial statements.

## 2.2 Service rendered by the Department

DPME is not a service delivery Department and does not render any services in the public domain on a recoverable basis. Revenue disclosed in the financial statements is derived from the following:

- Staff parking
- Transportation of employees to and from work
- Administrative revenue

For more details on Departmental revenue, please refer to note 2 under notes to the financial statements.

## 2.3 Capacity constraints

### Information and Communication Technology (ICT)

The Department is currently supported by The Presidency's ICT system. This presents a significant operational risk to the Department as The Presidency's ICT systems were not designed to provide the functionality required by the Department. We have started the development of our own ICT systems and will complete this project during the 2012/13 financial year.

### Supply Chain Management (SCM)

The initial focus of the SCM unit was to put in place systems, policies and procedures to support the SCM function of the Department. Matters raised by the Auditor-General of South Africa related to SCM can be attributed to insufficient capacity during the first six months of operations as well as ineffective controls and procedures. Capacity constraints have since been addressed and internal controls and procedures have been improved to ensure compliance and an effective and efficient SCM system in the Department.

## 2.4 Utilisation of donor funds

Local and foreign assistance received in kind during the reporting period amounted to R6.9 million (see annex I). These amounts are not disclosed on the face of the Annual Financial Statements as donors paid the respective service providers directly without channelling the funds through DPME.

## 2.5 Trading entities and public entities

The Department does not have any trading or public entities.

## 2.6 Organisations to whom transfer payments have been made

No transfer payments were made for the period under review.

## 2.7 Public private partnerships (PPP)

The Department did not enter into any PPP contracts for the period under review. It does however participate in the Public Private Partnership Vehicle Fleet Contract (RTG718) between the Department of Transport and Phakisaworld Fleet Solutions. Expenses related to one vehicle leased through this contract as well as short term vehicle rentals are disclosed under note 23 to the annual financial statements.

## 2.8 Corporate governance arrangements

### Internal Audit Function

The Head of Internal Audit has been appointed, reporting directly to the Accounting Officer. Given the small size of the Department it was more cost effective to partially outsource the internal audit function (IAF) to an external service provider. The risk management function also resorted with the Internal Audit unit.

Internal Audit provides objective and independent assurance to management and the Audit Committee on the adequacy and effectiveness of internal controls and governance processes within the Department. In pursuing this activity the IAF is guided by a fully functional Audit Committee which operates in terms of an approved Audit Charter. A three-year rolling audit plan has been approved and is being coordinated by the Internal Audit Unit. The Department will appoint a new service provider in 2012 to implement the audit plan.

Both the Auditor-General of South Africa and Audit Committee expressed concerns that the risk management function resorted with the Internal Audit Unit. The risk management function will therefore be transferred to a newly created post in the 2012/13 financial year.

### **Audit Committee**

The Department has an Audit Committee appointed in terms of the Public Finance Management Act, which it shares with The Presidency. Members discharge their functions in accordance with the PFMA, Treasury Regulations and the Audit Committee Charter.

### **Risk Management**

The management of risk in the Department forms an integral part of effective corporate governance. The Department completed its first strategic risk assessment during the past financial year and will fully implement its risk management, fraud prevention and compliance framework during the 2012/13 financial year. During 2011 the Department approved a fraud prevention strategy and policy and adopted a code of ethics and conduct as a first step in the implementation of its fraud and corruption prevention strategy.

### **Policy review and operational controls**

The majority of the Department's policies were developed and adopted during 2011. Most policies were reviewed during the beginning of 2012 to effect amendments required to improve the effectiveness and efficiency of operations and address shortcomings highlighted in audit findings.

### **General**

The Departmental Line Management Committee and Administrative Management Committee met regularly. An Executive Management Committee was introduced in 2012. A Loss Control Committee was established and considered matters related to losses of assets as well as fruitless and wasteful expenditure.

## **2.9 Discontinued activities/activities to be discontinued**

None

## **2.10 New/proposed activities**

The Presidential Hotline was transferred from The Presidency to the Department on 01 October 2011. Discussions between the Department, DPSA and the Public Service Commission on the Department's future role in the assessment of Heads of Department are on-going.

## **2.11 Asset management**

In terms of Sub-section 38(1) (b) of the Public Finance Management Act (1 of 1999) as amended, the Accounting Officer for the Department is responsible for the effective, efficient, economical and transparent use of the resources of the Department.

The establishment of a separate vote for the Department necessitated a transfer of assets from The Presidency to the DPME in terms of section 42 of the PFMA. This process was completed in July 2011. Assets related to the transfer of the Presidential Hotline function from The Presidency to the DPME was completed towards the end of the financial year.

All the assets of the Department have been captured in the asset register of the Department. An asset management policy has been developed and approved to ensure that all departmental assets are properly tagged, verified and accounted for and that any lost or redundant assets are identified on a timely basis.

Weaknesses in asset management procedures identified through the internal audit process as well as by the Auditor-General of South Africa have been addressed through amendments to the assets management policy and related procedures. Regular assets verification as well as monthly reconciliations are being conducted to ensure accurate assets records and financial reports.

Challenges experienced in the reconciliation between the Department's assets register (3rd party software) and accounting system (BAS) will be addressed in the 2012/13 financial year.

### **2.12 Inventories**

All inventory opening and closing balances are reflected in Annexure 4 to the annual financial statements.

### **2.13 Events after the reporting date**

None

### **2.14 Information on predetermined objectives**

Our report on predetermined objectives is dealt with under Part B of this report. Departmental management have been actively involved in the compilation of quarterly reports on progress against targets set in the Department's Annual Performance Plan.

### **2.15 SCOPA resolutions**

There were no SCOPA resolutions for the period under review.

### **2.16 Prior modifications to audit reports**

The Auditor-General of South Africa raised a number matters of significance related to SCM in the Department's interim management report. These matters have been addressed through amendments to policies and the improvement of operating procedures.

### **2.17 Exemptions and deviations received from the National Treasury**

There were no exemptions and deviations received for the period under review.

### **2.18 Interim Financial Statements**

The Department submitted quarterly interim financial statements to National treasury within one month after the end of each quarter.

**2.19 Acknowledgements**

I would like to express my sincerest appreciation to management and staff for their commitment and dedication throughout the year. The Finance, Supply Chain and Human Resources units deserve a special mention for their hard work in ensuring a successful transfer from the Presidency and for building the administrative foundations of the Department.

**2.20 Approval**

The Annual Financial Statements set out on pages 47 to 91 have been approved by the Accounting Officer.



**Dr. Sean Phillips**

**Director-General, Department of Performance Monitoring and Evaluation**

**Date: 30 May 2012**

### 3. Report of the Auditor-General

#### REPORT OF THE AUDITOR-GENERAL OF SOUTH AFRICA TO PARLIAMENT ON VOTE NO. 6: DEPARTMENT OF PERFORMANCE MONITORING AND EVALUATION

##### REPORT ON THE FINANCIAL STATEMENTS

###### Introduction

1. I have audited the financial statements of the Department of Performance Monitoring and Evaluation set out on pages 47 to 89, which comprise the appropriation statement, the statement of financial position as at 31 March 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, the notes, comprising a summary of significant accounting policies and other explanatory information.

###### Accounting Officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the Departmental financial reporting framework prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

###### Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

###### Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Performance Monitoring and Evaluation as at 31 March 2012, and its financial performance and cash flows for the year then ended in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the PFMA.

###### Additional matter

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

**Financial reporting framework**

8. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework. Section 20(2) (a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

**Unaudited supplementary schedules**

9. The supplementary information set out on pages 90 to 91 does not form part of the financial statements and is presented as additional information. I have not audited these schedule and, accordingly, I do not express an opinion thereon.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

10. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

**Predetermined objectives**

11. I performed procedures to obtain evidence about the usefulness and reliability of the information in the report on predetermined objectives of the Department of Performance Monitoring and Evaluation for the year ended 31 March 2012 as set out on pages 17 to 33 of the annual report.
12. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable and relevant as required by the National Treasury *Framework for managing programme performance information* (FMPPPI). The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts.
13. The material findings are as follows concerning the usefulness and reliability of the information.

**Performance targets not time bound**

14. The National Treasury FMPPPI requires that the time period or deadline for delivery be specified. A total of 45% of the targets relevant to Programme 2: Outcomes Monitoring and Evaluation and Programme 4: Public Sector Administration Oversight were not time bound in specifying a time period or deadline for delivery. This was mainly due to the fact that targets were not suitably developed during the strategic planning process.

**Additional matter**

15. I draw attention to the following matter below. This matter does not have an impact on the predetermined objectives audit findings reported above.

**Achievement of planned targets**

16. Of the total number of 75 planned targets, only 46 targets were achieved during the year under review. This represents 39% of total planned targets that were not achieved during the year under review. This was mainly due to the fact that indicators and targets were not suitably developed during the strategic planning process.

**Compliance with laws and regulations**

17. I performed procedures to obtain evidence that the department has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

**Annual financial statements, performance and annual reports**

18. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 40(1) (b) of the PFMA. Material misstatements of disclosure items identified by the auditors were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

**Expenditure management**

19. The accounting officer did not take reasonable steps to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1.

**Human Resource Management**

20. Persons in charge at pay points did not always certify that the employees receiving payment were entitled thereto as required by Treasury Regulations 8.3.4.

**Internal control**

21. I considered internal control relevant to my audit of the financial statements report on predetermined objectives of the Department of Performance Monitoring and Evaluation for the year ended 31 March 2012 and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on the report on predetermined objectives of the Department of Performance Monitoring and Evaluation for the year ended 31 March 2012 and the findings on compliance with laws and regulations included in this report.

**Leadership**

22. The leadership did not exercise adequate oversight responsibility regarding financial and predetermined objective reporting and compliance with laws and regulations.

**Financial and performance management**

23. Inadequate monitoring by supervisors resulted in material misstatements in the financial statements, report on predetermined objectives and non-compliance with laws and regulations.

*Auditor - General*

Pretoria  
31 July 2012



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



## 4. Appropriation Statement

Programme	APPROPRIATION PER PROGRAMME									
	2011/12					2010/11				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000	
<b>I. Administration</b>										
Current payments	22,084	(412)	(500)	21,172	20,504	668	96.8%	-	-	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	454	412	-	866	866	-	100%	-	-	
Payment for financial assets	-	-	-	-	-	-	-	-	-	
	22,538	-	(500)	22,038	21,370	668				
<b>2. Outcomes Monitoring and Evaluation</b>										
Current payments	24,743	(84)	(1,600)	23,059	22,476	583	97.5%	-	-	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for Capital Assets	-	84	-	84	84	-	100%	-	-	
Payment for Financial Assets	-	-	-	-	-	-	-	-	-	
	24,743	-	(1,600)	23,143	22,560	583				
<b>3. Integrated Public Perf. Data Systems</b>										
Current payments	19,092	(2,584)	-	16,508	16,372	136	99.2%	-	-	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	2,650	2,584	700	5,934	4,746	1,188	80.0%	-	-	
Payment for Financial Assets	-	-	-	-	-	-	-	-	-	
	21,742	-	700	22,442	21,118	1,324				
<b>4. Public Sector Administration Oversight</b>										
Current Payments	27,179	(118)	1,400	28,461	27,675	786	97.2%	-	-	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for Capital assets	-	118	-	118	118	-	100%	-	-	
Payment for Financial Assets	-	-	-	-	-	-	-	-	-	
	27,179	-	1,400	28,579	27,793	786				
<b>Subtotal</b>	96,202	-	-	96,202	92,841	3,361	96.5%	-	-	
<b>Statutory Appropriation</b>	-	-	-	-	-	-	-	-	-	
<b>TOTAL</b>	96,202	-	-	96,202	92,841	3,361	96.5%	-	-	

## Appropriation Statement (Continued)

	2011/12		2010/11	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
<b>TOTAL (brought forward)</b>	<b>96,202</b>			
<b>Reconciliation with statement of financial performance</b>				
<b>ADD</b>				
Departmental receipts	119		-	
Direct Exchequer receipts	-		-	
NRF Receipts	-		-	
Aid assistance	-		-	
<b>Actual amounts per statement of financial performance (total revenue)</b>	<b>96,321</b>			
<b>ADD</b>				
Aid assistance	-		-	
Direct Exchequer payments	-		-	
Prior year unauthorised expenditure approved without funding	-		-	
<b>Actual amounts per statement of financial performance (total expenditure)</b>		<b>92,841</b>		

## Appropriation Statement (Continued)

APPROPRIATION PER ECONOMIC CLASSIFICATION										
Economic Classification	2011/12					2010/11				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Appropriation	Final expenditure	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Current payments</b>										
Compensation of employees	55,053	(635)	(1,435)	52,983	51,673	1,310	97.5%	-	-	-
Goods and services	38,045	(2,582)	135	35,598	35,325	273	99.2%	-	-	-
Interest and rent on land	-	30	-	30	30	-	100%	-	-	-
<b>Transfers and subsidies</b>										
	-	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>										
Machinery and equipment	2,504	2,903	535	5,942	4,754	1,188	80.0%	-	-	-
Software and other intangible assets	600	284	765	1,649	1,059	590	64.2%	-	-	-
<b>Payments for financial assets</b>										
	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>96,202</b>	<b>-</b>	<b>-</b>	<b>96,202</b>	<b>92,841</b>	<b>3,361</b>	<b>96.5%</b>	<b>-</b>	<b>-</b>	<b>-</b>

STATUTORY APPROPRIATION										
Direct changes against the National Revenue Fund	2011/12					2010/11				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Appropriation	Final expenditure	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
None										
<b>Total</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>

## Appropriation Statement (Continued)

Programme I Detail per sub-programme	2011/12					2010/11			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>I.1 Departmental Management</b>									
Current payment	6,308	(32)	-	6,276	6,174	102	98.4%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	32	-	32	32	-	100%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
<b>I.2 Corporate Services</b>									
Current payment	7,546	(418)	(200)	6,928	6,583	345	95.0%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	400	374	-	774	774	-	100%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
<b>I.3 Finance Administration</b>									
Current payment	4,476	38	-	4,514	4,514	-	100%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	54	6	-	60	60	-	100%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
<b>I.4 Internal Audit</b>									
Current payment	3,754	-	(300)	3,454	3,233	221	93.6%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>22,538</b>	<b>-</b>	<b>(500)</b>	<b>22,038</b>	<b>21,370</b>	<b>668</b>	<b>97.0%</b>		

## Appropriation Statement (Continued)

Programme / per economic classification	2011/12					2010/11			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	13,047	-	-	13,047	12,527	520	96.0%	-	-
Goods and services	9,037	(423)	(500)	8,114	7,966	148	98.2%	-	-
Interest and rent on land	-	11	-	11	11	-	100%	-	-
<b>Transfers and subsidies to:</b>									
<b>Payment for capital assets</b>									
Machinery and equipment	454	378	-	832	832	-	100%	-	-
Software and other intangible assets	-	34	-	34	34	-	100%	-	-
<b>Payments for financial assets</b>									
<b>Total</b>	<b>22,538</b>	<b>-</b>	<b>(500)</b>	<b>22,038</b>	<b>21,370</b>	<b>668</b>	<b>97.0%</b>	<b>-</b>	<b>-</b>

## Appropriation Statement (Continued)

Programme 2 Detail per sub-programme	2011/12					2010/11			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>2.1 Prog Manage Out Mon &amp; Eval</b>									
Current payment	2,517	(143)	-	2,374	2,013	361	84.8%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	34	-	34	34	-	100%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
<b>2.2 Outcomes Facilitation</b>									
Current payment	19,999	(50)	(1,435)	18,514	18,492	22	99.9%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	50	-	50	50	-	100%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
<b>2.3 Outcomes Research</b>									
Current payment	2,227	109	(165)	2,171	1,971	200	90.8%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>24,743</b>	<b>-</b>	<b>(1,600)</b>	<b>23,143</b>	<b>22,560</b>	<b>583</b>	<b>97.5%</b>	<b>-</b>	<b>-</b>

## Appropriation Statement (Continued)

Programme 2 per economic classification	2010/11						2010/11		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>									
Compensation of employees	20,317	(88)	(1,435)	18,794	18,226	568	97.0%	-	-
Goods and services	4,426	-	(165)	4,261	4,246	15	99.6%	-	-
Interest and rent on land	-	4	-	4	4	-	100%	-	-
<b>Transfers and subsidies to:</b>									
<b>Payment for capital assets</b>									
Machinery and equipment	-	84	-	84	84	-	100%	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>									
<b>Total</b>	<b>24,743</b>	<b>-</b>	<b>(1,600)</b>	<b>23,143</b>	<b>22,560</b>	<b>583</b>	<b>97.5%</b>	<b>-</b>	<b>-</b>

## Appropriation Statement (Continued)

Programme 3 Detail per sub-programme	2011/12					2010/11			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>3.1 Prog Manage For Data Sys</b>									
Current payment	2,554	(505)	-	2,049	1,992	57	97.2%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	105	-	105	105	-	100%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
<b>3.2 Information Technology Sup</b>									
Current payment	8,391	(1,200)	-	7,191	7,113	78	98.9%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	2,642	2,450	700	5,792	4,604	1,118	79.5%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
<b>3.3 Programme Of Action</b>									
Current payment	7,518	(1,186)	-	6,332	6,331	1	100%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	8	28	-	36	36	-	100%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
<b>3.4 Monitor &amp; Eval Capacity Build</b>									
Current payment	629	307	-	936	936	-	100%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	1	-	1	1	-	100%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>21,742</b>	<b>-</b>	<b>700</b>	<b>22,442</b>	<b>21,118</b>	<b>1,324</b>	<b>94.1%</b>	<b>-</b>	<b>-</b>



## Appropriation Statement (Continued)

Programme 3 per economic classification	2011/12					2010/11			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>									
Compensation of employees	13,267	(547)	-	12,720	12,585	135	98.9%	-	-
Goods and services	5,825	(2,050)	-	3,775	3,774	1	100%	-	-
Interest and rent on land	-	14	-	14	14	-	100%	-	-
<b>Transfers and subsidies to:</b>									
<b>Payment for capital assets</b>									
Machinery and equipment	2,050	2,333	535	4,918	3,730	1,188	75.8%	-	-
Software and other intangible assets	600	250	165	1,015	1,015	-	100.0%	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>21,742</b>	<b>-</b>	<b>700</b>	<b>22,442</b>	<b>21,118</b>	<b>1,324</b>	<b>94.1%</b>	<b>-</b>	<b>-</b>

## Appropriation Statement (Continued)

Programme 4 Detail per sub-programme	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>4.1 Prog Man Pub Sec Admin Over</b>									
Current payment	3,131	(839)	-	2,292	1,701	591	74.2%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	46	-	46	46	-	100%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
<b>4.2 Performance Assessment</b>									
Current payment	22,759	721	1,400	24,880	24,880	-	100%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	62	-	62	62	-	100%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
<b>4.3 Strategic Plan Analysis</b>									
Current payment	1,289	-	-	1,289	1,094	195	84.9%	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	10	-	10	10	-	100%	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>27,179</b>	<b>-</b>	<b>1,400</b>	<b>28,579</b>	<b>27,793</b>	<b>786</b>	<b>97.2%</b>	<b>-</b>	<b>-</b>

**Note:** Funding the Presidential Hotline was included under the Performance Assessment sub-programme for the 2011/12 financial year.

## Appropriation Statement (Continued)

Programme 4 per economic classification	2011/12					2010/11			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>									
Compensation of employees	8,422	-	-	8,422	8,335	87	99.0%	-	-
Goods and services	18,757	(109)	800	19,448	19,339	109	99.4%	-	-
Interest and rent on land	-	1	-	1	1	-	100%	-	-
<b>Transfers and subsidies to:</b>									
<b>Payment for capital assets</b>									
Machinery and equipment	-	108	-	108	108	-	100%	-	-
Software and other intangible assets	-	-	600	600	10	590	1.7%	-	-
<b>Payments for financial assets</b>									
<b>Total</b>	<b>27,179</b>	<b>-</b>	<b>1,400</b>	<b>28,579</b>	<b>27,793</b>	<b>786</b>	<b>97.2%</b>	<b>-</b>	<b>-</b>

## 5. Notes to the Appropriation Statement

### 1. Detail of transfers and subsidies as per Appropriation Act (after virement):

None.

### 2. Detail of specifically and exclusively appropriated amounts voted (after virement):

Detail of these transactions can be viewed in note I (Annual Appropriation) to the Annual Financial Statements.

### 3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

### 4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
<b>Administration</b>	22,038	21,370	668	3.0%
R520,000 saving on vacant funded posts				
<b>Outcomes Monitoring and Evaluation</b>	23,143	22,560	583	2.5%
R568,000 saving on vacant funded posts				
<b>Integrated Public Perf. Data Systems</b>	22,442	21,118	1,324	5.9%
R1,290,975 for computer equipment ordered before the end of the financial year but delivered after 31 March 2012.				
<b>Public Sector Administration Oversight</b>	28,579	27,793	786	2.8%
R536,962 for development of computer applications contracted but not completed				

4.2 Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as % of Final Appropriation
	R'000	R'000	R'000	%
<b>Current Expenditure</b>				
Compensation of employees	52,983	51,673	1,310	2.5%
Goods and services	35,598	35,325	273	0.8%
Interest and rent on land	30	30	-	-
<b>Payments for capital assets</b>				
Buildings and other fixed structures	-	-	-	-
Machinery and equipment	5,942	4,754	1,188	20.0%
Software and other intangible assets	1,649	1,059	590	35.8%
<b>Payments for financial assets</b>				

## 6. Statement of Financial Performance

	Note	2011/12	2010/11
		R'000	R'000
<b>REVENUE</b>			
Annual appropriation	1	96,202	-
Statutory appropriation		-	-
Departmental revenue	2	119	-
Direct Exchequer Receipts		-	-
NRF Receipts		-	-
Aid assistance		-	-
<b>TOTAL REVENUE</b>		<b>96,321</b>	-
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	51,673	-
Goods and services	4	35,325	-
Interest and rent on land	5	30	-
Aid assistance		-	-
Unauthorised expenditure approved without funding		-	-
<b>Total current expenditure</b>		<b>87,028</b>	-
<b>Transfers and subsidies</b>			
Transfers and subsidies		-	-
Aid assistance		-	-
Unauthorised expenditure approved without funding		-	-
<b>Total transfers and subsidies</b>		-	-
<b>Expenditure on capital assets</b>			
Tangible capital assets	6	4,754	-
Software and other intangible assets	6	1,059	-
Unauthorised expenditure approved without funding		-	-
<b>Total expenditure for capital assets</b>		<b>5,813</b>	-
<b>Payments for financial assets</b>			
Direct Exchequer Payments		-	-
<b>TOTAL EXPENDITURE</b>		<b>92,841</b>	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>			
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		3,361	-
Annual appropriation		3,361	-
Conditional grants		-	-
Unconditional grants		-	-
Departmental revenue and NRF Receipts	10	119	-
Direct Exchequer receipts/payments		-	-
Aid assistance		-	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>3,480</b>	-

## 7. Statement of Financial Position

	Note	2011/12	2010/11
		R'000	R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>3,406</b>	<b>-</b>
Unauthorised expenditure		-	-
Fruitless and wasteful expenditure		-	-
Cash and cash equivalents	7	3,164	-
Other financial assets		-	-
Prepayments and advances		-	-
Receivables	8	242	-
Loans		-	-
Aid assistance prepayments		-	-
Aid assistance receivable		-	-
<b>Non-current assets</b>		<b>-</b>	<b>-</b>
Investments		-	-
Loans		-	-
Other financial assets		-	-
<b>TOTAL ASSETS</b>		<b>3,406</b>	<b>-</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>3,406</b>	<b>-</b>
Voted funds to be surrendered to the Revenue Fund	9	3,361	-
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	10	3	-
Direct Exchequer Receipts to be surrendered to the Revenue Fund		-	-
Bank overdraft		-	-
Payables	11	42	-
Aid assistance repayable		-	-
Aid assistance unutilised		-	-
<b>Non-current liabilities</b>		<b>-</b>	<b>-</b>
Payables		-	-
<b>TOTAL LIABILITIES</b>		<b>3,406</b>	<b>-</b>
<b>NET ASSETS</b>		<b>-</b>	<b>-</b>

## 8. Statement of Changes in Net Assets

	Note	2011/12	2010/11
		R'000	R'000
<b>Capitalisation Reserves</b>			
Opening balance			
Transfers:			
Movement in Equity			
Movement in Operational Funds			
Other movements			
Closing balance		-	-
<b>Recoverable revenue</b>			
Opening balance			
Transfers:			
Irrecoverable amounts written off			
Debts revised			
Debts recovered (included in departmental receipts)			
Debts raised			
Closing balance		-	-
<b>Retained funds</b>			
Opening balance			
Transfer from voted funds to be surrendered (Parliament/Legislatures only)			
Utilised during the year			
Other			
Closing balance		-	-
<b>Revaluation Reserve</b>			
Opening balance			
Revaluation adjustment (Housing departments)			
Transfers			
Other			
Closing balance		-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>

## 9. Cash Flow Statement

	Note	2011/12 R'000	2010/11 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>96,321</b>	-
Annual appropriated funds received	1.1	96,202	-
Statutory appropriated funds received		-	-
Departmental revenue received	2	119	-
Direct Exchequer Receipts		-	-
NRF Receipts		-	-
Aid assistance received		-	-
Net (increase)/decrease in working capital		(200)	-
Surrendered to Revenue Fund		(116)	-
Surrendered to RDP Fund/Donor		-	-
Current payments		(87,028)	-
Payments for financial assets		-	-
Transfers and subsidies paid		-	-
<b>Net cash flow available from operating activities</b>	12	<b>8,977</b>	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	6	(5,813)	-
Proceeds from sale of capital assets		-	-
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
<b>Net cash flows from investing activities</b>		<b>(5,813)</b>	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Distribution/dividend received		-	-
Increase/(decrease) in net assets		-	-
Increase/(decrease) in non-current payables		-	-
<b>Net cash flows from financing activities</b>		-	-
Net increase/(decrease) in cash and cash equivalents	13	3,164	-
Cash and cash equivalents at beginning of period	7	-	-
<b>Cash and cash equivalents at end of period</b>	7	<b>3,164</b>	-



## 10. Statement of Accounting Policies and Related matters

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2010.

### 1. Presentation of the Financial Statements

#### 1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

#### 1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

#### 1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

#### 1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

#### 1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

### 2. Revenue

#### 2.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Any amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

Any amount due from the National/Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

**2.2 Departmental revenue**

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Fund at the end of the financial year is recognised as a payable in the statement of financial position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure notes to the annual financial statements.

**2.3 Direct Exchequer receipts**

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

**2.4 Direct Exchequer payments**

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

**2.5 Aid assistance**

Aids assistance is recognised as revenue when received.

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements. The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year).

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year).

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

**3. Expenditure****3.1 Compensation of employees****3.1.1 Salaries and wages**

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

### **3.1.2 Social contributions**

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

### **3.2 Goods and services**

Payments made during the year for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5,000). All other expenditures are classified as current. Rental paid for the use of buildings or other fixed structures is classified as goods and services and not as rent on land.

### **3.3 Interest and rent on land**

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

### **3.4 Payments for financial assets**

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts. All other losses are recognised when authorisation has been granted for the recognition thereof.

### **3.5 Transfers and subsidies**

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

### **3.6 Unauthorised expenditure**

When confirmed unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

### **3.7 Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

### **3.8 Irregular expenditure**

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

## **4. Assets**

### **4.1 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. Bank overdrafts are shown separately on the face of the statement of financial position. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

### **4.2 Other financial assets**

Other financial assets are carried in the statement of financial position at cost.

### **4.3 Prepayments and advances**

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised. Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

### **4.4 Receivables**

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off. Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

### **4.5 Investments**

Capitalised investments are shown at cost in the statement of financial position.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

### **4.6 Loans**

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

**4.7 Inventory**

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition. All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

**4.8 Capital assets****4.8.1 Movable assets****Initial recognition**

A capital asset is recorded in the asset register on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R I. All assets acquired prior to 1 April 2002 are included in the register R I.

**Subsequent recognition**

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as “expenditure for capital assets” and is capitalised in the asset register of the department on completion of the project. Repairs and maintenance is expensed as current “goods and services” in the statement of financial performance.

**4.8.2 Immovable assets****Initial recognition**

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R I unless the fair value for the asset has been reliably estimated.

**Subsequent recognition**

Work-in-progress of a capital nature is recorded in the statement of financial performance as “expenditure for capital assets”. On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset. Repairs and maintenance is expensed as current “goods and services” in the statement of financial performance.

**4.8.3 Intangible assets****Initial recognition**

An intangible asset is recorded in the asset register on receipt of the item at cost. Cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where fair value cannot be determined, the intangible asset is included in the asset register at R I. All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R I.\*

**Subsequent expenditure**

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as “expenditure for capital asset” and is capitalised in the asset register of the department. Maintenance is expensed as current “goods and services” in the statement of financial performance.

## **5. Liabilities**

### **5.1 Payables**

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.

### **5.2 Contingent liabilities**

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

### **5.3 Contingent assets**

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

### **5.4 Commitments**

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

### **5.5 Accruals**

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

### **5.6 Employee benefits**

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

### **5.7 Lease commitments**

#### **Finance lease**

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

#### **Operating lease**

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

### **5.8 Impairment**

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

**5.9 Provisions**

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

**6. Receivables for departmental revenue**

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

**7. Net Assets****7.1 Capitalisation reserve**

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

**7.2 Recoverable revenue**

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

**8. Related party transactions**

Specific information with regards to related party transactions is included in the disclosure notes.

**9. Key management personnel**

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

**10. Public private partnerships**

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

## II. Notes to the Annual Financial Statements

### I. Annual Appropriation

#### I.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act and the Adjustments Appropriation Act:

Programme	2011/12			2010/11
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
Administration	22,038	21,638	400	-
Outcomes Monitoring and Evaluation	23,143	23,943	(800)	-
Integrated Public Performance Data Systems	22,442	23,442	(1,000)	-
Public Sector Administration Oversight	28,579	27,179	1400	-
<b>TOTAL</b>	<b>96,202</b>	<b>96,202</b>	<b>-</b>	<b>-</b>

### 2. Departmental revenue

	Note	2011/12	2010/11
		R'000	R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	21	-
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land		-	-
Sales of capital assets		-	-
Transactions in financial assets and liabilities	2.2	98	-
Transfer received		-	-
Total revenue collected		119	-
Less: Own revenue included in appropriation		-	-
<b>Departmental revenue collected</b>		<b>119</b>	<b>-</b>



**2.1 Sales of goods and services other than capital assets**

	Note	2011/12	2010/11
	2	R'000	R'000
Sales of goods and services produced by the department		21	-
Sales by market establishment		21	-
Administrative fees		-	-
Other sales		-	-
Sales of scrap, waste and other used current goods		-	-
<b>Total</b>		<b>21</b>	<b>-</b>

**2.2 Transactions in financial assets and liabilities**

	Note	2011/12	2010/11
	2	R'000	R'000
Loans and advances		-	-
Receivables		-	-
Forex gain		-	-
Stale cheques written back		-	-
Other Receipts including Recoverable Revenue*		98	-
<b>Total</b>		<b>98</b>	<b>-</b>

**\*Note:** Expenditure on international study tour incurred in the 2010/11 financial year under Vote 1 refunded by Donor in 2011/12 financial year.

**3. Compensation of employees**

	Note	2011/12	2010/11
		R'000	R'000
Salaries and wages	3.1	46,104	-
Social contributions	3.2	5,569	-
<b>Total compensation of employees</b>		<b>51,673</b>	<b>-</b>
Average number of employees		108	-

**3.1 Salaries and Wages**

	Note	2011/12	2010/11
		R'000	R'000
Basic salary		33,445	-
Performance award		421	-
Service Based		39	-
Compensative/circumstantial		305	-
Periodic payments		892	-
Other non-pensionable allowances		11,002	-
<b>Total</b>		<b>46,104</b>	<b>-</b>

**3.2 Social contributions**

	Note	2011/12	2010/11
		R'000	R'000
<b>Employer contributions</b>			
Pension		4,227	-
Medical		1,335	-
UIF		-	-
Bargaining council		6	-
Official unions and associations		-	-
Insurance		1	-
<b>Total</b>		<b>5,569</b>	<b>-</b>

#### 4. Goods and services

	Note	2011/12	2010/11
		R'000	R'000
Administrative fees		448	-
Advertising		930	-
Assets less than R5,000	4.1	670	-
Bursaries (employees)		316	-
Catering		426	-
Communication		7,813	-
Computer services	4.2	11,770	-
Consultants, contractors and agency/outsourced services	4.3	2,618	-
Entertainment		14	-
Audit cost – external	4.4	1,512	-
Fleet services		9	-
Inventory	4.5	1,097	-
Housing		-	-
Operating leases		106	-
Property payments		-	-
Rental and hiring		-	-
Transport provided as part of the departmental activities		-	-
Travel and subsistence	4.6	5,169	-
Venues and facilities		800	-
Training and staff development		721	-
Other operating expenditure	4.7	906	-
<b>Total</b>		<b>35,325</b>	<b>-</b>

#### 4.1 Assets less than R5,000

	Note	2011/12	2010/11
		R'000	R'000
<b>Tangible assets</b>	4		
Buildings and other fixed structures		-	-
Biological assets		-	-
Heritage assets		-	-
Machinery and equipment		653	-
Transport assets		-	-
Specialised military assets		-	-
<b>Intangible assets</b>		<b>17</b>	<b>-</b>
<b>Total</b>		<b>670</b>	<b>-</b>

## 4.2 Computer services

	Note	2011/12	2010/11
	4	R'000	R'000
SITA computer services		9,790	-
External computer service providers*		1,980	-
<b>Total</b>		<b>11,770</b>	<b>-</b>

\*Note: See note 6

## 4.3 Consultants, contractors and agency/outsourced services

	Note	2011/12	2010/11
	4	R'000	R'000
Business and advisory services		2,401	-
Infrastructure and planning		-	-
Laboratory services		-	-
Legal costs		-	-
Contractors		17	-
Agency and support/outsourced services		200	-
<b>Total</b>		<b>2,618</b>	<b>-</b>

## 4.4 Audit cost – External

	Note	2011/12	2010/11
	4	R'000	R'000
Regularity audits		1,344	-
Performance audits		168	-
<b>Total</b>		<b>1,512</b>	<b>-</b>

## 4.5 Inventory

	Note	2011/12	2010/11
	4	R'000	R'000
	Annex 4		
Medsas inventory interface		-	-
Learning and teaching support material		1	-
Food and food supplies		23	-
Fuel, oil and gas		-	-
Other consumable materials		25	-
Materials and supplies		37	-
Stationery and printing		1,011	-
Medical supplies		-	-
Medicine		-	-
Military stores		-	-
<b>Total</b>		<b>1,097</b>	<b>-</b>

#### 4.6 Travel and subsistence

	Note	2011/12	2010/11
	4	R'000	R'000
Employee costs		5,169	-
Domestic travel costs		3,733	-
International travel costs		1,436	-
Per diem allowance		-	-
Non-employee costs		-	-
Domestic travel costs		-	-
International travel costs		-	-
<b>Total</b>		<b>5,169</b>	<b>-</b>

#### 4.7 Other operating expenditure

	Note	2011/12	2010/11
	4	R'000	R'000
Learnerships		-	-
Professional bodies, membership and subscription fees		4	-
Resettlement costs		770	-
Gifts		-	-
Other		132	-
<b>Total</b>		<b>906</b>	<b>-</b>

#### 5. Interest and rent on land

	Note	2011/12	2010/11
	4	R'000	R'000
Interest paid		30	-
Rent on land		-	-
<b>Total</b>		<b>30</b>	<b>-</b>

## 6. Expenditure on capital assets

	Note	2011/12	2010/11
		R'000	R'000
<b>Tangible assets</b>		4,754	-
Buildings and other fixed structures		-	-
Heritage assets		-	-
Machinery and equipment	24	4,754	-
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
<b>Software and other intangible assets*</b>		1,059	-
Computer software	24	1,059	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
<b>Total</b>		<b>5,813</b>	<b>-</b>

**\*Note:** Intangible assets exclude expenditure on the development of the PoA (R524,000), MPAT (R481,000) and FSD (R439,000) business intelligence systems incurred under External computer services (Note 4.2). These systems will be reclassified as intangible assets in 2012/13 financial year.

### 6.1 Analysis of funds utilised to acquire capital assets – 2011/12

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	4,754	-	4,754
Machinery and equipment	4,754	-	4,754
<b>Software and other intangible assets</b>	1,059	-	1,059
Computer software	1,059	-	1,059
<b>Total</b>	<b>5,813</b>	<b>-</b>	<b>5,813</b>

## 7. Cash and cash equivalents

	Note	2011/12	2010/11
		R'000	R'000
Consolidated Paymaster General Account		3,154	-
Cash receipts		-	-
Disbursements		-	-
Cash on hand		10	-
Investments (Local)		-	-
Investments (Foreign)		-	-
<b>Total</b>		<b>3,164</b>	<b>-</b>

## 8. Receivables

	Note	2011/12				2010/11
		R'000	R'000	R'000	R'000	R'000
		Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	8.1 Annex 2	236	-	-	236	-
Trade receivables		-	-	-	-	-
Recoverable expenditure		-	-	-	-	-
Staff debt	8.2	6	-	-	6	-
Other debtors		-	-	-	-	-
<b>Total</b>		<b>242</b>	<b>-</b>	<b>-</b>	<b>242</b>	<b>-</b>

### 8.1 Claims recoverable

	Note	2011/12	2010/11
	8	R'000	R'000
National departments		227	-
Provincial departments		9	-
Foreign governments		-	-
Public entities		-	-
Private enterprises		-	-
Universities and technikons		-	-
Households and non-profit institutions		-	-
Local governments		-	-
<b>Total</b>		<b>236</b>	<b>-</b>

**8.2 Staff debt**

	Note	2011/12	2010/11
	8	R'000	R'000
Recoverable Expenditure		5	-
Private Telephone		1	-
<b>Total</b>		<b>6</b>	<b>-</b>

**9. Voted funds to be surrendered to the Revenue Fund**

	Note	2011/12	2010/11
		R'000	R'000
Opening balance		-	-
Transfer from statement of financial performance		3,361	-
Add: Unauthorised expenditure for current year		-	-
Voted funds not requested/not received		-	-
Transferred to retained revenue to defray excess expenditure (Parliament/Legislatures only)		-	-
Paid during the year		-	-
<b>Closing balance</b>		<b>3,361</b>	<b>-</b>

**10. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund**

	Note	2011/12	2010/11
		R'000	R'000
Opening balance		-	-
Transfer from Statement of Financial Performance		119	-
Own revenue included in appropriation		-	-
Transfer from aid assistance		-	-
Transfer to voted funds to defray expenditure (Parliament/Legislatures only)		-	-
Paid during the year		(116)	-
<b>Closing balance</b>		<b>3</b>	<b>-</b>

**11. Payables – current**

	Note	2011/12	2010/11
		R'000	R'000
<b>Amounts owing to other entities</b>		-	-
Advances received		-	-
Clearing accounts		-	-
Other payables	11.1	42	-
<b>Total</b>		<b>42</b>	<b>-</b>



**11.1 Other payables**

	Note	2011/12	2010/11
	11	R'000	R'000
South African Revenue Services		42	-
<b>Total</b>		<b>42</b>	<b>-</b>

**12. Net cash flow available from operating activities**

	Note	2011/12	2010/11
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		3,480	-
Add back non cash/cash movements not deemed operating activities		5,497	-
(Increase)/decrease in receivables – current		(242)	-
(Increase)/decrease in prepayments and advances		-	-
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		42	-
Proceeds from sale of capital assets		-	-
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		5,813	-
Surrenders to Revenue Fund		(116)	-
Surrenders to RDP Fund/Donor		-	-
Voted funds not requested/not received		-	-
Own revenue included in appropriation		-	-
Other non-cash items		-	-
<b>Net cash flow generated by operating activities</b>		<b>8,977</b>	<b>-</b>

**13. Reconciliation of cash and cash equivalents for cash flow purposes**

	Note	2011/12	2010/11
		R'000	R'000
Consolidated Paymaster General account		3,154	-
Fund requisition account		-	-
Cash receipts		-	-
Disbursements		-	-
Cash on hand		10	-
Cash with commercial banks (Local)		-	-
Cash with commercial banks (Foreign)		-	-
<b>Total</b>		<b>3,164</b>	<b>-</b>

## 12. Disclosures Notes to the Annual Financial Statements

### 14. Contingent liabilities and contingent assets

None

**Note:** Reconciliation of accounts between the Presidency and PhakisaWorld could result in an increase in contingent liabilities for services rendered to DPME while it was still part of Vote I.

### 15. Commitments

	Note	2011/12 R'000	2010/11 R'000
Current expenditure			
Approved and contracted		552	-
Approved but not yet contracted		1,485	-
		<b>2,037</b>	-
Capital expenditure (Including transfers)			
Approved and contracted		2,095	-
Approved but not yet contracted		-	-
		2,095	-
<b>Total Commitments</b>		<b>4,132</b>	-

### 16. Accruals

		2011/12 R'000	2010/11 R'000
<b>Listed by economic classification</b>			
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>
Goods and services	481	3	484
Interest and rent on land	-	-	-
Transfers and subsidies	-	-	-
Capital assets	-	-	-
Other	-	-	-
<b>Total</b>	<b>481</b>	<b>3</b>	<b>484</b>

	Note	2011/12 R'000	2010/11 R'000
<b>Listed by programme level</b>			
Administration		359	-
Outcomes Monitoring & Evaluation		62	-
Integrated Public Performance Data Systems		34	-
Public Sector Admin Oversight		29	-
<b>Total</b>		<b>484</b>	-

	Note	2011/12	2010/11
		R'000	R'000
Confirmed balances with other departments	Annex 3	-	-
Confirmed balances with other government entities	Annex 3	1	-
<b>Total</b>		<b>1</b>	<b>-</b>

## 17. Employee benefits

	Note	2011/12	2010/11
		R'000	R'000
Leave entitlement		893	-
Service bonus (Thirteenth cheque)		1,232	-
Performance awards		743	-
Capped leave commitments		878	-
Other		-	-
<b>Total</b>		<b>3,746</b>	<b>-</b>

## 18. Lease commitments

### 18.1 Operating leases expenditure

2011/12	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

2010/11	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note:** Expenses related to the lease of a vehicle through the Department of Transport / Phakisaworld PPP are disclosed under note 23

## 18.2 Finance leases expenditure

2011/12	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment*	Total
Not later than 1 year				391	391
Later than 1 year and not later than 5 years				167	167
Later than five years				-	-
<b>Total lease commitments</b>				<b>558</b>	<b>558</b>
LESS: finance costs				(32)	(32)
<b>Total present value of lease liabilities</b>				<b>526</b>	<b>526</b>

\*Note: Expenditure on lease of photocopiers and 3G data modems

## 19. Irregular expenditure

### 19.1 Reconciliation of irregular expenditure

	Note	2011/12 R'000	2010/11 R'000
Opening balance		-	-
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year	19.2	1,451	-
Less: Amounts condoned	19.3	(442)	-
Less: Amounts recoverable (not condoned)		-	-
Less: Amounts not recoverable (not condoned)		-	-
-		<u>1,009</u>	<u>-</u>
Analysis of awaiting condonation per age classification			
Current year		1,009	-
Prior years		-	-
<b>Total</b>		<b><u>1,009</u></b>	<b><u>-</u></b>

**19.2 Details of irregular expenditure – current year**

Incident	Disciplinary steps taken/criminal proceedings	2011/12
		R'000
CFO did not approve expenditure > R30,000	None	34
Deviation from tender procedures – insufficient supporting documentation	None	524
Non Compliance with PPPFA: Insufficient supporting documentation	Under Investigation	101
Non Compliance with PPPFA	Under Investigation	137
Non Compliance with PPPFA	Under Investigation	247
Finance Leases	None	408
<b>Total</b>		<b>1,451</b>

**19.3 Details of irregular expenditure condoned**

Incident	Condoned by (condoning authority)	2011/12
		R'000
Finance leases expenditure	National Treasury practice note 5 2006/07	408
CFO did not approve expenditure > R30,000	Accounting Officer	34
<b>Total</b>		<b>442</b>

**19.4 Details of irregular expenditure under investigation**

Incident		2011/12
		R'000
Deviation from tender procedures - insufficient supporting documentation	Investigation complete Submission to Accounting Officer for condonement	524
Non Compliance with PPPFA: Purchase of office furniture	Under Investigation	101
Non Compliance with PPPFA: Advertisement of posts	Under Investigation	137
Non Compliance with PPPFA: Purchase of software	Under Investigation	247
<b>Total</b>		<b>1,009</b>

**20. Fruitless and wasteful expenditure****20.1 Reconciliation of fruitless and wasteful expenditure**

	Note	2011/12	2010/11
		R'000	R'000
Opening balance		-	-
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		6	-
Less: Amounts condoned		(2)	-
Less: Amounts transferred to receivables for recovery		(2)	-
<b>Fruitless and wasteful expenditure awaiting condonement</b>		<b>2</b>	<b>-</b>

**20.2 Analysis of awaiting condonation per economic classification**

	Note	2011/12	2010/11
		R'000	R'000
Current		2	-
Capital		-	-
Transfers and subsidies		-	-
<b>Total</b>		<b>2</b>	<b>-</b>

**20.3 Analysis of Current year's fruitless and wasteful expenditure**

Incident	Disciplinary steps taken/criminal proceedings	2011/12
		R'000
No Show – Accommodation, Flights, Car rental	Officials requested to refund Department in cases where expenditure was avoidable.	6
<b>Total</b>		<b>6</b>

**21. Related party transactions**

Payments made	Note	2011/12	2010/11
		R'000	R'000
Goods and services		2,460	-
Interest and rent on land		-	-
Purchases of capital assets		-	-
Transactions in financial assets and liabilities		-	-
Transfers		-	-
<b>Total</b>		<b>2,460</b>	<b>-</b>

**Note:** The Presidency, Government Communications and Information Systems, National Youth Development Agency and Brand South Africa are related parties as the Minister is the Executing Authority. Related party transactions refer to payments made by The Presidency for accruals / commitments incurred during 2010/11 financial year and claimed back from the Department as well as for expenses related to shared service.

**22. Key management personnel**

	No. of Individuals	2011/12 R'000	2010/11 R'000
Political office bearers (provide detail below)*			
Officials:			
Level 15 to 16	4	4,498	-
Level 14 (incl. CFO if at a lower level)	2	1,363	-
Family members of key management personnel		-	-
<b>Total</b>		<b>5,861</b>	<b>-</b>

**\*Note:** Offices of the Minister and Deputy Minister are funded under Vote 1 (The Presidency)

**23. Public Private Partnership**

	Note	2011/12 R'000	2010/11 R'000
<b>Contract fee paid</b>			
Fixed component		-	-
Indexed component		448	-
<b>Analysis of indexed component</b>			
Compensation of employees		-	-
Goods and services (excluding lease payments)		-	-
Operating leases		448	-
Interest		-	-
<b>Capital/ (Liabilities)</b>		-	-
<b>Other</b>		-	-
<b>Total</b>		<b>448</b>	<b>-</b>

**Note:** The Department participates in the Public Private Partnership Vehicle Fleet Contract (RTG718) between the Department of Transport and Phakisaworld Fleet Solutions. This agreement is a full maintenance lease contract regulated by National treasury PPP and supply chain management regulations. The Department leases long-term, short-term, and chauffeur driven and point-to-point driven services. The original contract expired in November 2011 and was extended by the Department of Transport to November 2013. All expenditure relating to this PPP is recognised in the statement of financial performance.

## 24. Movable Tangible Capital Assets

Movement in movable tangible capital assets per asset register for the year ended 31 March 2012					
	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	-	-	-	-	-
Heritage assets	-	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	-	-	8,465	-	8,465
Transport assets	-	-	-	-	-
Computer equipment	-	-	5,273	-	5,273
Furniture and office equipment	-	-	2,925	-	2,925
Other machinery and equipment	-	-	267	-	267
<b>SPECIALISED MILITARY ASSETS</b>	-	-	-	-	-
<b>BIOLOGICAL ASSETS</b>	-	-	-	-	-
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	-	-	8,465	-	8,465

### 24.1 Additions

Additions to movable tangible capital assets per asset register for the year ended 31 March 2012				
	Cash	Non-cash*	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	-	-	-	-
Heritage assets	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	4,754	3,711	-	8,465
Transport assets	-	-	-	-
Computer equipment	3,538	1,735	-	5,273
Furniture and office equipment	989	1,936	-	2,925
Other machinery and equipment	227	40	-	267
<b>SPECIALISED MILITARY ASSETS</b>	-	-	-	-
<b>BIOLOGICAL ASSETS</b>	-	-	-	-
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	4,754	3,711	-	8,465

\*Note: Transfer of assets from The Presidency



**24.2 Disposals**

None

**24.3 Movement for 2010/11**

None

**24.4 Minor assets****Movement in minor assets per the asset register for the year ended as at 31 March 2012**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-	-	-
Current Year Adjustments to Prior Year balances	-	-	-	-	-	-
Additions	-	-	-	2,329	-	2,329
Disposals	-	-	-	-	-	-
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,329</b>	<b>-</b>	<b>2,329</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of RI minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	-	1,972	-	1,972
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,972</b>	<b>-</b>	<b>1,972</b>

**25. Intangible Capital Assets****Movement in intangible capital assets per asset register for the year ended 31 March 2012**

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Computer Software	-	-	2,148	-	2,148
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>2,148</b>	<b>-</b>	<b>2,148</b>

**\*Note:** Intangible assets exclude expenditure on the development of the PoA (R524,000), MPAT (R481,000) and FSD (R439,000) business intelligence systems incurred under External computer services (Note 4.2). These systems will be reclassified as intangible assets in 2012/13 financial year.

## 25.1 Additions

Additions to intangible capital assets per asset register for the year ended 31 March 2012					
	Cash	Non-Cash	(Development work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Computer Software	1,059	1,089	-	-	2,148
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>1,059</b>	<b>1,089</b>	<b>-</b>	<b>-</b>	<b>2,148</b>

## 26. Transfer of functions

The Department formed part of Vote 1 (The Presidency) until 31 March 2011 and transferred to its own budget vote (Vote 6) with effect from 1 April 2011.

The Presidential Hotline was transferred from The Presidency to the Department of Performance Monitoring and Evaluation with effect from 1 October 2011.

### 26.1 Transfer of functions: Statement of Financial Position

	Note	Bal per dept 2010/11 AFS before transfer	Functions per dept (transferred) / received	2010/11 Bal after transfer
		2010/11	2010/11	2010/11
		R'000	R'000	R'000
<b>ASSETS</b>				
Current Assets		-	-	-
Non-Current Assets		-	-	-
<b>TOTAL ASSETS</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>				
Current Liabilities		-	-	-
Non-Current Liabilities		-	-	-
Payables		-	-	-
<b>TOTAL LIABILITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS</b>		<b>-</b>	<b>-</b>	<b>-</b>

**26.2 Transfer of functions: Disclosure Notes**

	Note	Bal per dept 2010/11 AFS before transfer	Functions per dept (transferred) / received	2010/11 Bal after transfer
		2010/11	2010/11	2010/11
		R'000	R'000	R'000

Contingent liabilities	-	-	-
Contingent assets	-	-	-
Commitments	-	-	-
Accruals	-	375	375
Employee benefits	-	-	-
Lease commitments – Operating lease	-	-	-
Lease commitments – Finance lease	-	-	-
Receivables for departmental revenue	-	-	-
Irregular expenditure	-	-	-
Fruitless and wasteful expenditure	-	-	-
Impairment and other provisions	-	-	-
Movable tangible capital assets	-	-	-
Intangible capital assets	-	-	-

### 13. Annexures to the Financial Statements

#### ANNEXURE I STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash		-	-	-	-
Subtotal		-	-	-	-
Received in kind					
Programme to support Pro-Poor Development	Various workshops, study tours	-	4,397	4,397	-
German Government (GIZ)	Support on MPAT and African M & E workshop	-	1,518	1,518	-
World Bank	Support on Evaluations	-	562	562	-
Clear	Support on African M & E workshop	-	250	250	-
UK Government (DFID)	Support of diagnosis	-	165	165	-
<b>Subtotal</b>			<b>6,892</b>	<b>6,892</b>	<b>-</b>
<b>TOTAL</b>			<b>6,892</b>	<b>6,892</b>	

#### ANNEXURE 2 CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Government Departments</b>						
Department of Environmental Affairs	83	-	-	-	83	-
Department of Minerals and Energy	14	-	-	-	14	-
Gauteng Department of Health and Social Development	6	-	-	-	6	-
The Presidency	130	-	-	-	130	-
Gauteng Department of Finance	-	-	3	-	3	-
<b>TOTAL</b>	<b>233</b>		<b>3</b>		<b>236</b>	

### ANNEXURE 3 INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Other Government Entities</b>						
Government Printing Works	1		1		2	
<b>TOTAL</b>	<b>1</b>		<b>1</b>		<b>2</b>	

### ANNEXURE 4 INVENTORY

Inventory	Note	Quantity	2011/12	Quantity	2010/11
			R'000		R'000
Opening balance		-	-	-	-
Add/(Less): Adjustments to prior year balance		-	-	-	-
Add: Additions/Purchases – Cash		20,321	1,097	-	-
Add: Additions - Non-cash		-	-	-	-
(Less): Disposals		-	-	-	-
(Less): Issues		(17,058)	(1,040)	-	-
Add/(Less): Adjustments		-	-	-	-
<b>Closing balance</b>		<b>3,263</b>	<b>57</b>	<b>-</b>	<b>-</b>

# PART D: HUMAN RESOURCE MANAGEMENT

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## 1. Service delivery

The Department did not have a Service Delivery Improvement Plan (SDIP) in place during the year under review and therefore is not able to report on this item. This is because the Department was still new and in the process of establishment. However, the SDIP was developed during the course of the 2011/12 financial year and approved for implementation from 01 April 2012.

## 2. Expenditure

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 2.1) and by salary bands (Table 2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

**Table 2.1 – Personnel costs by programme, 2011/12**

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percentage of total expenditure	Average personnel cost per employee (R'000)
Administration	21,370	12,527	61	116	58.6%	285
Outcomes Monitoring & Evaluation	22,560	18,226	238	-	80.8%	651
M&E Systems Coordination and Support	21,118	12,585	44	-	59.6%	434
Public Sector Oversight	27,793	8,335	160	-	30.0%	232
<b>Total</b>	<b>92,841</b>	<b>51,673</b>	<b>503</b>	<b>116</b>	<b>55.7%</b>	<b>377</b>

**Table 2.2 – Personnel costs by salary bands, 2011/12**

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	299	0.6%	75
Skilled (Levels 3-5)	1,032	2.0%	94
Highly skilled production (Levels 6-8)	5,099	9.9%	176
Highly skilled supervision (Levels 9-12)	19,088	36.9%	308
Senior management (Levels 13-16)	26,155	50.6%	844
<b>Total</b>	<b>51,673</b>	<b>100%</b>	<b>377</b>

Table 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2011/12

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as % of personnel cost
Administration	9,871	76.8%	-	-	265	2.1%	472	3.7%
Outcomes Monitoring & Evaluation	14,730	78.3%	-	-	169	0.9%	314	1.8%
Data Systems	10,325	82.2%	2	-	319	2.4%	318	2.4%
Public Sector Admin Oversight	6,362	77.6%	2	-	81	1.0%	202	2.5%
<b>Total</b>	<b>41,288</b>	<b>79.2%</b>	<b>4</b>	<b>-</b>	<b>834</b>	<b>1.6%</b>	<b>1,306</b>	<b>2.5%</b>

Table 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2011/12

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as % of personnel cost
Lower skilled (Levels 1-2)	248	82.9%	-	-	16	5.4%	15	5.0%
Skilled (Levels 3-5)	736	71.3%	-	-	65	6.3%	78	7.6%
Highly skilled production (Levels 6-8)	3,670	72.0%	-	-	201	3.9%	354	6.9%
Highly skilled supervision (Levels 9-12)	14,306	74.9%	4	-	330	1.7%	599	3.1%
Senior Management (Levels 13-16)	22,328	85.4%	-	-	222	0.8%	260	1.0%
<b>Total</b>	<b>41,288</b>	<b>79.9%</b>	<b>4</b>	<b>-</b>	<b>834</b>	<b>1.6%</b>	<b>1,306</b>	<b>2.5%</b>



### 3. Employment and vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Departments have identified critical occupations that need to be monitored. Table 3.3 provides establishment and vacancy information for the key critical occupations of the department.

The vacancy rate reflects the percentage of posts that are not filled.

**Table 3.1 – Employment and vacancies by programme, 31 March 2012**

Programme	Number of approved posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administration	55	44	20%	0
Outcomes Monitoring & Evaluation	41	28	32%	1
Data Systems	43	29	33%	1
Public Sector Admin Oversight	56	36	36%	0
<b>Total</b>	<b>195</b>	<b>137</b>	<b>30%</b>	<b>2</b>

Note: The reason for the high vacancy rates is that the Department obtained approval from the Minister of Public Service and Administration for an increased structure in October 2011, and the Department was therefore only able to start the recruitment process for the new posts in November 2011. In addition, the Department only had funding for 141 posts in the 2011/12 financial year, and therefore the filling of some posts was delayed until the start of the 2012/2013 financial year.

**Table 3.2 – Employment and vacancies by salary bands, 31 March 2012**

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	3	2	33%	0
Skilled (Levels 3-5)	11	11	0%	0
Highly skilled production (Levels 6-8)	41	29	29%	0
Highly skilled supervision (Levels 9-12)	95	63	35%	0
Senior management (Levels 13-16)	45	32	29%	2
<b>Total</b>	<b>195</b>	<b>137</b>	<b>30%</b>	<b>2</b>

**Table 3.3 – Employment and vacancies by critical occupation, 31 March 2012**

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Top Management	4	2	50%	0
Specialists	13	11	15%	1
Snr Managers: Corporate Services	3	3	0%	0
<b>Total</b>	<b>20</b>	<b>16</b>	<b>20%</b>	<b>0</b>

#### 4. Job evaluation

**Table 4.1 – Job Evaluation, 01 April 2011 to 31 March 2012**

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	3	0	0%	0	0%	0	0%
Skilled (Levels 3-5)	11	2	18%	0	0%	0	0%
Highly skilled production (Levels 6-8)	41	4	10%	0	0%	0	0%
Highly skilled supervision (Levels 9-12)	95	21	22%	0	0%	0	0%
Senior Management Service Band A	24	10	42%	0	0%	0	0%
Senior Management Service Band B	4	4	100%	0	0%	0	0%
Senior Management Service Band C	16	3	19%	0	0%	0	0%
Senior Management Service Band D	1	0	0%	0	0%	0	0%
<b>Total</b>	<b>195</b>	<b>44</b>	<b>23%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

**Note:** As a result of the approval of the expanded structure, newly created posts were job evaluated in line with Part III (F) of the Public Service Regulations. All other posts were job evaluated prior to the reporting period.

**Table 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 01 April 2011 to 31 March 2012**

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with a disability	0	0	0	0	0

**Note:** No employees were upgraded as a result of job evaluation during the financial year

**Table 4.3– Employees whose salary level exceed the grade determined by job evaluation, 01 April 2011 to 31 March 2012 (in terms of PSR I.V.C .3)**

Occupation	Number of employees	Job evaluation level	Remuneration on level	Reason for deviation
	0	0	0	0
	0	0	0	0
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2011/12				0
Percentage of total employment				0

**Note:** There were no employees whose salary level exceeded the grade determined by job evaluation.

**Table 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 01 April 2011 to 31 March 2012 (in terms of PSR I.V.C.3) :**

None - Not applicable

## 5. Employment changes

**Table 5.1 – Annual turnover rates by salary band for the period 01 April 2011 to 31 March 2012**

Salary Band	Number of employees per band as on 1 April 2011	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	0	2	0	0%
Skilled (Levels 3-5)	4	10	1	25%
Highly skilled production (Levels 6-8)	16	16	3	19%
Highly skilled supervision (Levels 9-12)	30	35	2	7%
Senior Management Service Band A	8	8	0	0%
Senior Management Service Band B	1	2	0	0%
Senior Management Service Band C	11	0	1	9%
Senior Management Service Band D	1	0	0	0%
<b>Total</b>	<b>71</b>	<b>73</b>	<b>7</b>	<b>10%</b>

**Note:** As the department was new, it was on a recruitment drive during the 2011/12 financial year.

**Table 5.2 – Annual turnover rates by critical occupation for the period 01 April 2011 to 31 March 2012**

Occupation:	Number of employees per occupation as on 1 April 2011	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Top Management	2	0	0	0%
Specialists	12	0	1	8%
Senior Managers: Corporate Services	2	1	0	0%
<b>Total</b>	<b>16</b>	<b>1</b>	<b>1</b>	<b>6%</b>

**Table 5.3 – Reasons why staff are leaving the department Table 5.4 – Promotions by critical occupation**

Termination Type	Number	% of total
Death	0	0%
Resignation	2	29%
Expiry of contract	1	14%
Dismissal – operational changes	0	0%
Dismissal – misconduct	0	0%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	0	0%
Transfers to other Public Service Departments	4	57%
Other	0	0%
<b>Total</b>	<b>7</b>	
<b>Total number of employees who left as a % of the total employment</b>		<b>10%</b>

**Table 5.4 – Promotions by critical occupation**

Occupation	Employees as at 1 April 2011	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Top Management	2	0	0%	0	0%
Specialists	12	0	0%	0	0%
Senior Managers: Corporate Services	2	0	0%	2	100%
<b>Total</b>	<b>16</b>	<b>0</b>	<b>0%</b>	<b>2</b>	<b>13%</b>

**Table 5.5 – Promotions by salary band**

Salary Band	Employees as 1 April 2011	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	0	0	0%	0	0%
Skilled (Levels 3-5)	4	2	50%	0	0%
Highly skilled production (Levels 6-8)	16	4	25%	4	25%
Highly skilled supervision (Levels 9-12)	30	2	7%	6	20%
Senior management (Levels 13-16)	21	1	5%	6	29%
<b>Total</b>	<b>71</b>	<b>9</b>	<b>13%</b>	<b>16</b>	<b>23%</b>

**Note:** Promotions include both salary band and notch progressions. Progressions to another notch within a salary level were made in line with the Performance Management and Development System as well as Public Service Regulation I.V.C.3.

## 6. Employment equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

**Table 6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2012**

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	11	0	5	5	6	1	1	3	32
Professionals	5	2	0	0	17	0	1	4	29
Technicians and associate professionals	11	1	1	0	19	0	1	1	34
Clerks	11	0	1	0	20	4	1	0	37
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	2	0	0	0	3	0	0	0	5
<b>Total</b>	<b>40</b>	<b>3</b>	<b>7</b>	<b>5</b>	<b>65</b>	<b>5</b>	<b>4</b>	<b>8</b>	<b>137</b>
Employees with disabilities	2	0	0	0	0	0	0	1	3

**Note:** The Employment Equity Plan for the Department was approved by the Director General for implementation from 01 October 2011. In terms of the plan, the Department is currently focusing on recruiting more females and Africans in senior management positions.

**Table 6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2012**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management(L15-L16)	2	0	4	3	2	1	0	1	13
Senior Management (L13-L14)	9	0	1	2	4	0	1	2	19
Professionally qualified and experienced specialists and mid-management	16	3	1	0	36	0	2	5	63
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	9	0	0	0	15	4	1	0	29
Semi-skilled and discretionary decision making	4	0	1	0	6	0	0	0	11
Unskilled and defined decision making	0	0	0	0	2	0	0	0	2
<b>Total</b>	<b>40</b>	<b>3</b>	<b>7</b>	<b>5</b>	<b>65</b>	<b>5</b>	<b>4</b>	<b>8</b>	<b>137</b>

**Table 6.3 – Recruitment for the period 01 April 2011 to 31 March 2012**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	3	0	1	1	4	0	0	0	9
Professionally qualified and experienced specialists and mid-management	13	1	0	0	18	0	0	3	35
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5	0	0	1	8	2	1	0	17
Semi-skilled and discretionary decision making	4	0	1	0	5	0	0	0	10
Unskilled and defined decision making	0	0	0	0	2	0	0	0	2
Total	25	1	2	2	37	2	1	3	73
Employees with disabilities	2	0	0	0	0	0	0	1	3



**Table 6.4 – Promotions for the period 01 April 2011 to 31 March 2012**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Co- loured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	3	0	1	3	0	0	0	0	7
Professionally qualified and experienced specialists and mid-management	1	0	0	0	6	0	1	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	2	0	0	4	1	0	0	8
Semi-skilled and discretionary decision making	1	0	0	0	1	0	0	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>11</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>25</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

**Note:** Again, this table includes both salary band and notch progressions.

**Table 6.5 – Terminations for the period 01 April 2011 to 31 March 2012**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	1	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	1	0	0	0	0	0	0	1	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	1	1	0	0	0	2
Semi-skilled and discretionary decision making	0	0	1	0	1	0	0	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>7</b>

**Table 6.6 - Disciplinary action for the period 01 April 2011 to 31 March 2012**

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
<b>Disciplinary action</b>	0	0	0	0	0	0	0	0	0

**Table 6.7 – Skills development for the period 01 April 2011 to 31 March 2012**

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	5	0	4	1	0	0	0	1	11
Professionals	4	2	0	0	11	0	1	0	18
Technicians and associate professionals	7	2	0	0	12	0	2	1	24
Clerks	7	0	1	0	10	1	1	1	21
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>23</b>	<b>4</b>	<b>5</b>	<b>1</b>	<b>33</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>74</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

## 7. Performance rewards

**Table 7.1 – Performance Rewards by race, gender, and disability, 01 April 2011 to 31 March 2012**

Gender & Race	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R)	Average cost per employee
African	7	39	18%	203,314	29,045
Male	3	12	25%	106,735	0
Female	4	27	15%	96,578	0
Asian	1	8	13%	57,741	57,741
Male	1	5	20%	57,741	0
Female	0	3	0%	0	0
Coloured	1	3	33%	8,667	8,667
Male	0	0	0%	0	0
Female	1	3	33%	8,667	0
White	4	12	33%	151,784	37,946
Male	1	4	25%	34,260	0
Female	3	8	38%	117,524	0
Employees with a disability	0	0	0%	0	0
<b>Total</b>	<b>13</b>	<b>62</b>	<b>21%</b>	<b>421,505</b>	<b>133,398</b>

**Note:** 62 employees were employed in the department on 31 March 2011. Performance bonuses for the period 01 April 2010 to 31 March 2011 were paid in the first quarter of the 2011/12 financial year.

**Table 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 01 April 2011 to 31 March 2012**

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	0	0	0%	0	0	0%
Skilled (Levels 3-5)	0	3	0%	0	0	0%
Highly skilled production (Level 6-8)	1	11	9%	8,667	8,667	0.2%
Highly skilled supervision (Levels 9-12)	6	25	24%	15,1318	25,220	0.8%
<b>Total</b>	<b>7</b>	<b>39</b>	<b>18%</b>	<b>159,985</b>	<b>33,887</b>	<b>0.6%</b>

**Table 7.3 – Performance Rewards by critical occupations, 01 April 2011 to 31 March 2012**

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R)	Average cost per employee
Top Management	0	2	0%	0	0
Specialist	1	12	8%	57,741	57,741
Senior Managers: Corporate Services	1	2	50%	34,260	34,260
<b>Total</b>	<b>2</b>	<b>16</b>	<b>14%</b>	<b>92,001</b>	<b>46,000</b>

**Table 7.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service**

Salary Band	Beneficiary Profile			Total Cost (R'000)	Cost	
	Number of beneficiaries	Number of employees	% of total within band		Average cost per employee	Total cost as a % of the total personnel expenditure
Band A	5	8	63%	203,779	40,756	0.8%
Band B	0	1	0%	0	0	0%
Band C	1	13	8%	57,741	57,741	0.2%
Band D	0	1	0%	0	0	0%
<b>Total</b>	<b>6</b>	<b>23</b>	<b>26%</b>	<b>261,520</b>	<b>43,587</b>	<b>1.0%</b>

**8. Foreign workers**

The Department does not have any foreign nationals in its employ. All employees are South African citizens.

**9. Leave utilisation for the period 01 January 2011 to 31 December 2011****Table 9.1 – Sick leave, 01 January 2011 to 31 December 2011**

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	4	100%	1	1.2%	4	1
Skilled (Levels 3-5)	49	81.6%	6	7.2%	8	17
Highly skilled production (Levels 6-8)	128	78.9%	21	25.3%	6	69
Highly skilled supervision (Levels 9-12)	214	85%	35	42.2%	6	271
Senior management (Levels 13-16)	53	62.3%	11	13.3%	5	107
<b>Total</b>	<b>448</b>	<b>80.4%</b>	<b>74</b>		<b>6</b>	<b>465</b>

**Table 9.2 – Disability leave (temporary and permanent), 01 January 2011 to 31 December 2011**

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0%	0	0%	0	0
Skilled (Levels 3-5)	36	100%	1	100%	36	13
Highly skilled production (Levels 6-8)	0	0%	0	0%	0	0
Highly skilled supervision (Levels 9-12)	0	0%	0	0%	0	0
Senior management (Levels 13-16)	0	0%	0	0%	0	0
<b>Total</b>	<b>36</b>	<b>100%</b>	<b>1</b>	<b>100%</b>	<b>36</b>	<b>13</b>

**Table 9.3 – Annual Leave, 01 January 2011 to 31 December 2011**

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	10	5
Skilled (Levels 3-5)	80	10
Highly skilled production (Levels 6-8)	312	12
Highly skilled supervision (Levels 9-12)	577	11
Senior management (Levels 13-16)	406	12
<b>Total</b>	<b>1385</b>	<b>11</b>

**Table 9.4 – Capped leave, 01 January 2011 to 31 December 2011**

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2011
Lower skilled (Levels 1-2)	0	0	0
Skilled Levels 3-5)	0	0	0
Highly skilled production (Levels 6-8)	0	0	0
Highly skilled supervision (Levels 9-12)	16	0.3	5
Senior management (Levels 13-16)	13	0.4	8
<b>Total</b>	<b>29</b>	<b>0.2</b>	<b>4</b>

**Table 9.5 – Leave pay-outs for the period 01 April 2011 to 31 March 2012**

The following table summarises payments made to employees as a result of leave that was not taken.

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee (R'000)
Leave pay-out for 2011/12 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2011/12	0	0	0
Current leave pay-out on termination of service for 2011/12	35	2	17
<b>Total</b>	<b>35</b>	<b>2</b>	<b>17</b>

## 10. HIV and AIDS & health promotion programmes

**Table 10.1 – Steps taken to reduce the risk of occupational exposure**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
For all Officials	HIV Voluntary Counselling and Testing
For all Officials	Blood Pressure Testing
For all Officials	Cholesterol Testing
For all Officials	Eye Testing
For all Officials	Health Lifestyle & Budget

**Note:** These steps were taken by the Presidency, and DPME officials participated in them.

**Table 10.2 – Details of Health Promotion and HIV and AIDS Programmes (tick the applicable boxes and provide the required information)**

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Ms K Soorju Dir: HR
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.		X	
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.		X	
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		X	
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		Recruitment and Selection Policy
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.		X	
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.		X	
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		X	

Note: The Department had not yet created the capacity to implement an employee health and wellness programme, including HIV and AIDS. Positions were created in October 2011 which will enable the Department to address these issues in the 2012/13 financial year.

## 11. Labour relations

No collective agreements were entered into with trade unions within the department.

No misconduct and disciplinary hearings were conducted within the department for the year under review.

**Table 11.4 – Grievances lodged for the period 01 April 2011 to 31 March 2012**

	Number	% of Total
Number of grievances resolved	1	100%
Number of grievances not resolved	0	0%
<b>Total number of grievances lodged</b>	<b>1</b>	

No disputes were lodged with Councils for the period 01 April 2011 to 31 March 2012.

No officials participated in strike action during the period.

There were no precautionary suspensions for the period 01 April 2011 to 31 March 2012.



## 12. Skills development

**Table 12.1 - Training needs identified 01 April 2011 to 31 March 2012**

Occupational Categories	Gender	Number of employees as at 1 April 2011	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	6	0	1	0	1
	Male	16	0	10	1	11
Professionals	Female	10	0	12	1	13
	Male	4	0	6	0	6
Technicians and associate professionals	Female	11	0	15	2	17
	Male	3	0	9	2	11
Clerks	Female	15	0	13	1	14
	Male	6	0	11	0	11
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
<b>Total</b>		<b>71</b>	<b>0</b>	<b>77</b>	<b>7</b>	<b>84</b>

**Table 12.2 – Training provided 01 April 2011 to 31 March 2012**

Occupational Categories	Gender	Number of employees as at 1 April 2011	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	6	0	1	0	1
	Male	16	0	10	1	11
Professionals	Female	10	0	12	1	13
	Male	4	0	6	0	6
Technicians and associate professionals	Female	11	0	15	2	17
	Male	3	0	9	2	11
Clerks	Female	15	0	13	1	14
	Male	6	0	8	0	8
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
<b>Total</b>		<b>71</b>	<b>0</b>	<b>74</b>	<b>7</b>	<b>81</b>

### 13. Injury on duty

The following tables provide basic information on injury on duty.

**Table 13.1 – Injury on duty, 01 April 2011 to 31 March 2012**

Nature of injury on duty	Number	% of total
Required basic medical attention only	2	100%
Temporary Total Disablement	0	0%
Permanent Disablement	0	0%
Fatal	0	0%
<b>Total</b>	<b>2</b>	<b>100%</b>

#### 14. Utilisation of consultants

**Table 14.1 – Report on consultant appointments using appropriated funds**

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Internal Audit Service	9	145	969,000.00
Development of Programme of Action application	2	120	524,170.00
Development of Management Performance Assessment application	6	150	480,510.00
Development of Frontline Service Deliver application	5	120	438,992.00
Strategic support to Hotline (TAU – National Treasury)	2	60	166,635.25
Roll-out of Management Performance Assessment Tool (TAU – National Treasury)	2	60	250,000.00
Early Childhood Development evaluation (HSRC)	10	100	650,000.00
Enhancements to the Programme of Action application	1	150	375,702.00
Monitoring and Evaluation IT guidelines	6	90	495,000.00
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration: Work days</b>	<b>Total contract value in Rand</b>
	43	995	4,350,009.25

**Table 14.2 – Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)**

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Internal Audit Service	B-BEEE level 2		8
Development of Programme of Action application	100%	100%	0
Development of Management Performance Assessment application	18%	23%	1
Development of Frontline Service Deliver application	0%	0%	2
Enhancements to the Programme of Action application	0%	0%	0
Monitoring and Evaluation IT guidelines	B-BEEE level 2		3

**Note:** The Department has HDI status information for contracts larger than R30,000 up to 7 December 2011 when the revised PPPFA regulations came into effect and HDI status was replaced by B-BEEE status level contribution. Contracts to government departments / entities are excluded from the table above.

**Table 14.3 – Report on consultant appointments using donor funds**

The Department received no direct donor funding for the 2011/12 financial year.

**Table 14.4 – Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)**

The Department received no direct donor funding for the 2011/12 financial year.

# PART E: OTHER INFORMATION

## I. Acronyms

<b>APP</b>	Annual Performance Plan
<b>DIRCO</b>	Department of International Relations and Cooperation
<b>DPSA</b>	Department of Public Service and Administration
<b>ECD</b>	Early Childhood Development
<b>FOSAD</b>	Forum of South African Directors General
<b>FLSD</b>	Front Line Service Delivery
<b>GIS</b>	Geographic Information System
<b>GWM&amp;E</b>	Government Wide Monitoring and Evaluation
<b>HSRC</b>	Human Sciences Research Council
<b>M&amp;E</b>	Monitoring & Evaluation
<b>MPAT</b>	Management Performance Assessment Tool
<b>OPSC</b>	Office of the Public Service Commission
<b>PCC</b>	President's Coordinating Council
<b>PFMA</b>	Public Finance Management Act
<b>PoA</b>	Programme of Action
<b>PPPFA</b>	Preferential Procurement Policy Framework Act
<b>SITA</b>	State Information Technology Agency

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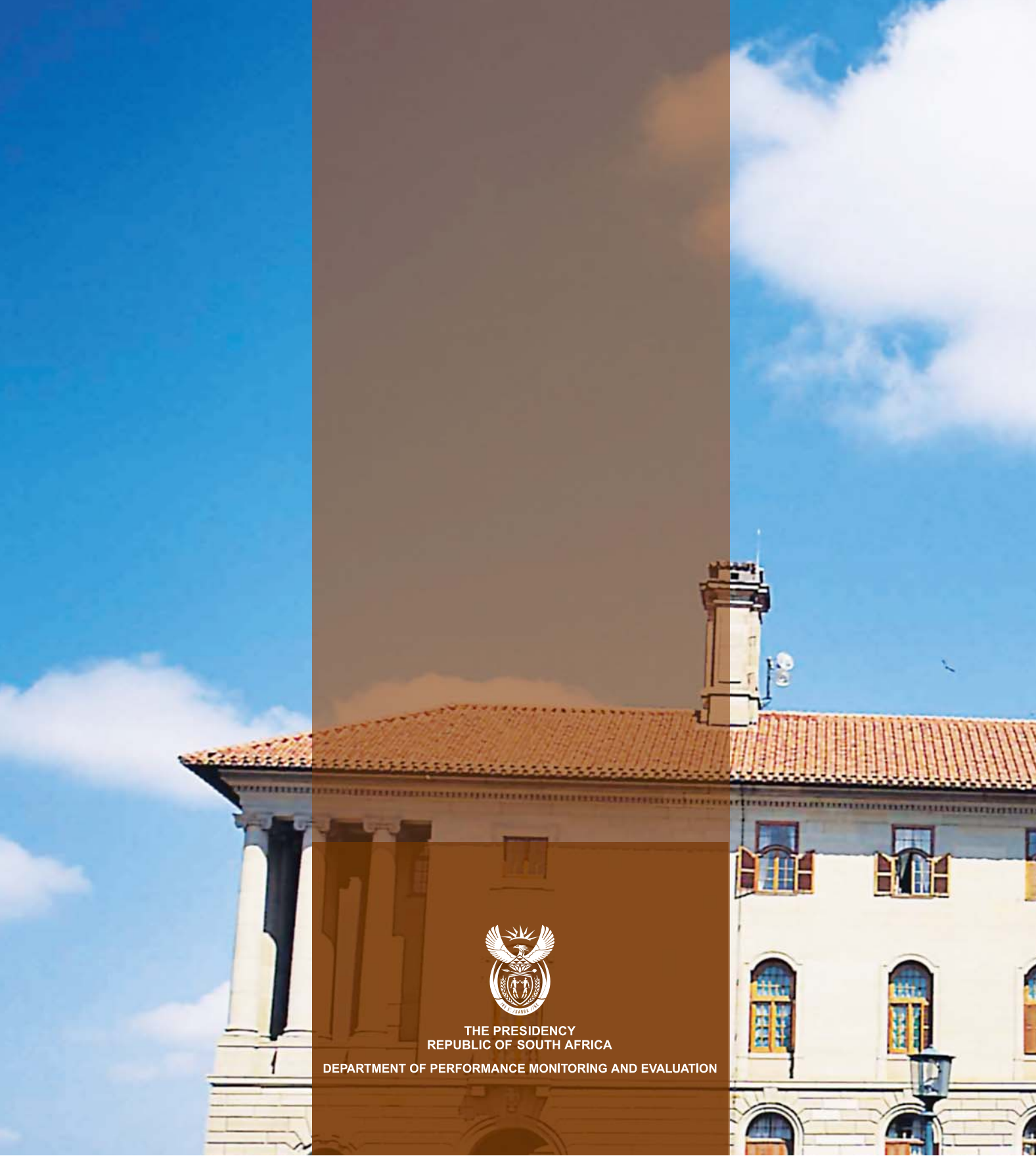












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