



**PUBLIC SERVICE COMMISSION**

**Annual Report  
2010/2011**



## Vision

The Public Service Commission is an independent and impartial body created by the Constitution, 1996, to enhance excellence in governance within the Public Service by promoting a professional and ethical environment and adding value to a public administration that is accountable, equitable, efficient, effective, corruption-free and responsive to the needs of the people of South Africa.

## Mission

The Public Service Commission aims to promote the constitutionally enshrined democratic principles and values of the Public Service by investigating, monitoring, evaluating, communicating and reporting on public administration. Through research processes, it will ensure the promotion of excellence in governance and the delivery of affordable and sustainable quality services.

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**PUBLIC SERVICE COMMISSION**  
Annual Report 2010/2011

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31 August 2011

Ms PM Tengi  
Deputy Chairperson of the Public Service Commission  
Private Bag X121  
PRETORIA  
0001

Dear Ms Tengi

I have the honour of submitting to you the Annual Report of the Public Service Commission (PSC) for the period 1 April 2010 to 31 March 2011.

The Report reflects the overall performance of the PSC during the period under review and the strides made in fulfilling its mandate. Key achievements and challenges that the organisation faced in executing its mandate are also highlighted in the Report.

Kind regards



**MASHWAHLE DIPHOFA**  
**DIRECTOR-GENERAL**

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# CHAPTER 1

## General Information

# GENERAL INFORMATION

## 1.1 VISION, MISSION AND VALUES

The PSC's vision and mission are derived from the values and principles of public administration laid down in the Constitution, 1996 (Section 195 (1) (a)-(i)).

### Vision

The PSC is an independent and impartial body created by the Constitution, 1996, to enhance excellence in governance within the Public Service by promoting a professional and ethical environment and adding value to a public administration that is accountable, equitable, efficient, effective, corruption-free and responsive to the needs of the people of South Africa.

### Mission

The PSC aims to promote the constitutionally enshrined democratic principles and values of the Public Service by investigating, monitoring, evaluating, communicating and reporting on public administration. Through research processes, it will ensure the promotion of excellence in governance and the delivery of affordable and sustainable quality services.

### Values

The PSC's values give direction to our actions and describe how we behave. We uphold the following values:

- To give effect to the values and principles governing public administration as enshrined in the Constitution, 1996;
- To give effect to the Code of Conduct for the Public Service;
- To put people first (*Batho Pele*);
- To be an employment equity employer;
- To attract and retain outstanding individuals; and
- To meet stakeholder expectations in providing an oversight role in the Public Service.

## 1.2 ORGANISATIONAL STRUCTURE

### Members of the PSC

*Nominated by the National Assembly:*

Mr B Mthembu  
Ms SS Nkosi  
Ms J Matsomela until August 2010  
Adv MJ Malahlela until February 2011

*Nominated by the Provincial Legislatures:*

Mr S Mafanya (Eastern Cape)  
Mr P Helepi (Free State)  
Dr RR Mgijima (Chairperson and Gauteng until January 2011)  
Ms PM Tengen (Deputy Chairperson and KwaZulu-Natal)  
Mr M Mawasha (Limpopo)  
Mr DS Mkhwanazi (Mpumalanga)  
Ms M Marais-Martin (Northern Cape)  
Dr G Woods (Western Cape until November 2010)

### Members of the Executive Management of the Office of the Public Service Commission

Mr MJ Diphofa, Director-General  
Ms B Lerumo, Deputy Director-General: Corporate Services  
Mr I Naidoo, Deputy Director-General: Monitoring and Evaluation  
Dr D Mamphiswana, Deputy Director-General: Integrity and Anti-Corruption  
Vacant, Deputy Director-General: Leadership and Management Practices



## Members of the Public Service Commission



**Dr RR Mjijima**  
(Chairperson and Gauteng until  
January 2011)



**Ms PM Tengi**  
(Deputy Chairperson and  
KwaZulu-Natal)



**Mr B Mthembu**  
(Pretoria)



**Ms SS Nkosi**  
(Pretoria)



**Ms J Matsomela**  
(Pretoria until August 2010)



**Adv MJ Malahlela**  
(Pretoria until February 2011)



**Mr S Mafanya**  
(Eastern Cape)



**Mr P Helepi**  
(Free State)



**Mr M Mawasha**  
(Limpopo)



**Mr DS Mkhwanazi**  
(Mpumalanga)



**Ms M Marais-Martin**  
(Northern Cape)



**Dr G Woods**  
(Western Cape until  
November 2010)

## GENERAL INFORMATION

### 1.3 LEGISLATIVE MANDATE

The PSC derives its mandate from Sections 195 and 196 of the Constitution, 1996. Section 195 sets out the values and principles governing public administration, which should be promoted by the PSC. These values and principles are:

- a. a high standard of professional ethics;
- b. efficient, economic and effective use of resources;
- c. a development-orientated public administration;
- d. provision of services in an impartial, fair and equitable way, without bias;
- e. responding to people's needs and encouraging the public to participate in policy-making;
- f. accountable public administration;
- g. fostering transparency;
- h. the cultivation of good human resource management and career-development practices; and
- i. a representative public administration with employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past.

#### **In terms of Section 196(4) of the Constitution, 1996, the functions and powers of the PSC are:**

- a. to promote the values and principles, as set out in Section 195, throughout the Public Service;
- b. to investigate, monitor and evaluate the organisation, administration and personnel practices of the Public Service, in particular adherence to the values and principles set out in Section 195 and the Public Service procedures;
- c. to propose measures to ensure effective and efficient performance within the Public Service;
- d. to give directions aimed at ensuring that personnel procedures relating to recruitment, transfers, promotions and dismissals comply with the values and principles set out in Section 195;
- e. to report on its activities and the performance of its functions, including any findings it may

- make and directions and advice it may give; and to provide an evaluation of the extent to which the values and principles set out in Section 195 are complied with; and
- f. either of its own accord, or on receipt of any complaint,
  - i. to investigate and evaluate the application of personnel and public administration practices and to report to the relevant executive authority and legislature;
  - ii. to investigate grievances of employees in the Public Service concerning official acts or omissions and to recommend appropriate remedies;
  - iii. to monitor and investigate adherence to applicable procedures in the Public Service; and
  - iv. to advise national and provincial organs of state regarding personnel practices in the Public Service, including those relating to the recruitment, appointment, transfer, discharge and other aspects of the careers of employees in the Public Service.

#### **The Public Service Commission Act, 1997 provides for the regulation of the Public Service Commission with regard to the:**

- a. constitution of the Public Service Commission;
- b. appointment of Commissioners;
- c. designation of the Chairperson and Deputy Chairperson;
- d. conditions of appointment of Commissioners;
- e. removal from office of Commissioners;
- f. functions of the Commission (inspections, inquiries, etc);
- g. rules according to which the PSC should operate;
- h. Office of the Public Service Commission; and
- i. transitional arrangements with regard to service commissions (created under the Interim Constitution, 1994).

## 1.4 DEPUTY CHAIRPERSON'S STATEMENT



**Ms PM Tengen**  
*Deputy Chairperson*

The PSC is pleased to submit its Annual Report for the 2010/2011 financial period. This Report has a particular significance to me as it is my maiden Annual Report as Deputy Chairperson of the PSC. During the period under review, the PSC family was saddened by the untimely passing away of two astute Commissioners, namely Ms Jane Matsomela and Advocate Mamaroba Malahlela. The two Commissioners have made a significant contribution to the PSC and they will be deeply missed.

In light of the above, the PSC continued to experience capacity challenges. Dr Ralph Mjijima retired in January 2011 as he had reached the end of his two terms in office whilst the Commissioner based in the Western Cape, Dr Gavin Woods resigned. Furthermore, the Commissioner position in the North West remained unfilled. In spite of the above-mentioned, the PSC strived to achieve its outputs as set out in the 2010/2011 Workplan. This was made possible by the support that the PSC received from the Office of the Public Service Commission (OPSC) under the stewardship of its Director-General, Mr Mashwahle Diphofa.

The work of the PSC continues to yield positive results in the area of public administration. This is evidenced by the outputs produced which have been widely used by stakeholders and the Executive. In contributing towards Parliament's oversight role, the PSC engaged the Portfolio Committee on Public Service and Administration as well as other relevant Portfolio Committees in the National Assembly and Provincial Legislatures on its oversight reports and other related work. We believe that these reports are an important tool for Parliament's Portfolio Committees to exercise their oversight role by holding the Executive accountable for the implementation of the PSC's recommendations.

The PSC continues to facilitate the evaluation of the performance of Heads of Department (HoDs). Not only does the evaluation process provide the PSC with useful insights into the progress and challenges facing public administration, but it also provides information which, if used strategically can strengthen the effectiveness of Public Service Leadership.

During the reporting period, a total of 50 HoDs were evaluated of which 42 were for the previous evaluation cycles. The PSC continues to express its concern at the high number of HoDs who qualify to be evaluated but are not evaluated as required. The PSC has raised this concern with the Executive as well as the Portfolio Committee on Public Service and Administration, and we hope that the matter will receive the priority attention it deserves. Similarly, the PSC has consistently drawn attention to the significance of the effective use of Performance Agreements (PAs) as a management tool. In this regard, and in an attempt to increase the compliance rate in the filing of PAs, the PSC sent a short message service (SMS) to all qualifying HoDs reminding them to submit their PAs. As a result, there was an improvement in terms of the submission rate as 108 out of a total of 127 HoDs filed their PAs with the PSC as at 31 March 2011. However, the PSC will not be satisfied until it achieves 100% compliance.

Our work in labour relations which is central to the PSC's role of contributing towards labour relations peace in the Public Service was bolstered by the co-hosting in March

## GENERAL INFORMATION

2011 of the 2<sup>nd</sup> Biennial Labour Relations Conference between the PSC and the Public Service Coordinating Bargaining Council, with the technical assistance from the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The Conference, which was organised under the theme: *Sustaining Dialogue on the Integration and Coordination of Labour Relations in the Public Service*, and brought together labour relations experts and practitioners across the country, proved to be a success.

In appreciating the need to constantly improve the quality of its work in the area of monitoring and evaluation, the PSC started with the process of reviewing its Transversal Monitoring and Evaluation System during the reporting period. Having been in operation since 2001, the system has certainly matured over the years, and the review is expected to strengthen it even further. One of the important elements on which the system focuses is the promotion of meaningful public participation in policy development and implementation. In order to complement the information the system generates on this element, the PSC conducted a citizen satisfaction survey based on the South Africa-specific drivers of citizen satisfaction. Through these surveys, the PSC seeks to assess how citizens experience Public Service delivery.

The fight against crime and corruption remains one of the priority areas of government. In an attempt to promote professional ethics and contribute towards an ethical Public Service, the PSC hosted jointly with the University of Pretoria the 2<sup>nd</sup> Roundtable on Professional Ethics. Furthermore, the PSC hosted the International Anti-Corruption Day event in conjunction with the United Nations Office on Drugs and Crime (UNODC), and the University of South Africa. The PSC also continued to provide secretariat services to the NACF, which is a cross-sectoral forum comprising public, business and civil society sectors. The NACF is designed to harness the collective efforts of these sectors in the fight against corruption.

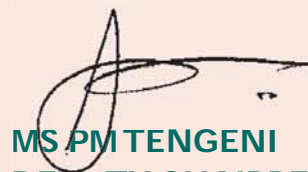
During the period under review, the PSC also continued to be involved in the management of conflicts of interest through the Financial Disclosure Framework of senior managers. By the end of the 2010/11 financial year, the

PSC had received 88% of the financial disclosure forms for the year 2009/10. This is a slight improvement in the compliance rate as compared to the previous financial year.

On a regional level, the PSC leads the Presidency of the Association of African Public Services Commissions (AAPSComs), with the OPSC providing secretariat services to AAPSComs. Through its secretariat role, the OPSC is responsible for overseeing the day-to-day operations of the Association. Since the launch of the AAPSComs, a Constitution was adopted and 18 Commissions from 12 African countries are registered members of the AAPSComs. The role of the PSC in the AAPSComs places an additional workload on the limited capacity of the organisation. During the year under review, the OPSC developed discussion documents in an attempt to improve the AAPSComs, such as a discussion document on the establishment of a permanent Secretariat, as well as a financial strategy that outlines the possible means by which the Association can move closer to financial stability.

I wish to take this opportunity to thank the former Chairperson of the PSC, Dr Ralph Mjijima, for his contribution towards the PSC's journey of the transformation of the Public Service. Dr Mjijima has certainly served the PSC with distinction and I wish him well in his retirement.

In conclusion, I would like to thank my fellow Commissioners and officials of the OPSC, for the hard work and dedication they have shown, in spite of the capacity challenges experienced during the period under review. I would also like to thank the Minister for Public Service and Administration, Mr Richard Baloyi, Deputy Minister, Ms Ayanda Dlodlo and the Chairperson of the Portfolio Committee on Public Service and Administration, Ms Joyce Moloi-Moropa for their support during the reporting period.



**MS PM TENGENI**  
**DEPUTY CHAIRPERSON: PUBLIC SERVICE**  
**COMMISSION**

## 1.5 ACCOUNTING OFFICER'S OVERVIEW



**Mr Mashwahle Diphofa**  
*Director-General*

It gives me great pleasure to submit the PSC Annual Report for the 2010/11 financial year. This is the first Annual Report to be produced under the leadership of our Deputy Chairperson, Ms Phelele Tengeneni who carried out the duties of the Chairperson following the departure of the former Chairperson, Dr Ralph Mjijima.

The 2010/11 financial year started on a high note as South Africa was counting down the days leading up to the hosting of the 2010 FIFA World Cup, which was held from June - July 2010. During this period, South Africa was filled with an aura of excitement as this was for the first that an international event of such magnitude was held on African soil. As South Africans, we can look back at this historic period with a sense of pride because South Africa was able to host a successful World Cup. Shortly after the World Cup, the PSC suffered the untimely death of Commissioner Matsomela followed by Commissioner Malahlela six months thereafter. This was truly a trying time for the PSC. May their souls rest in peace.

The 2010/11 financial year also started at a time when I was just three months in my position as Director-General of the OPSC. This past year as Director-General has been exciting as the work of the PSC continued to receive prominence not only in the Public Service but also in the public domain. In the same breath, it was also challenging as the PSC was repositioning itself to be more responsive to the priorities of government, therefore, ensuring that its work remains relevant to the Public Service.

The PSC is a key role player in the resolution of grievances in the Public Service, and this is evidenced by the number of grievances lodged with the PSC. In monitoring the trends in grievance management in the Public Service, the PSC produced a Fact Sheet on Grievance Resolution in the Public Service for the 2009/10 financial year. This is the second such Fact Sheet produced by the PSC, and it provides an overview of the status of grievances in the Public Service. The PSC is concerned with the trend that departments do not comply with the timeframe in which grievances should be resolved. However, the PSC continues to provide support to departments in order to ensure the timely resolution of grievances in the Public Service. With regards to the Senior Management Service (SMS) members, the Rules for dealing with grievances of SMS members were gazetted in September 2010.

The performance management and development of senior managers is crucial in ensuring effective service delivery in the Public Service. In an endeavour to improve the manner in which the Public Service manages its human resources, the PSC assessed the implementation of the Performance Management and Development System (PDMS) for senior managers in the Western Cape. The assessment was a continuation of a series of assessments on the implementation of the PMDS that the PSC has successfully conducted in the Eastern Cape, North West, Northern Cape and Limpopo provinces. Similarly, in its efforts to strengthen the role of Public Service leadership, the PSC continued to support the performance management of HoDs by

## GENERAL INFORMATION

evaluating the quality of PAs of HoDs and facilitating their performance evaluations. During the reporting period, the PSC was encouraged by the improvement in the number of PAs submitted for filing but remains concerned that a 100% compliance rate of PAs has not been achieved. What is even more worrying is the continuing decline in the number of HoDs whose performance gets evaluated.

In the area of monitoring and evaluation (M&E), the PSC continued to provide an assessment of the quality of public administration through its research reports. As part of engaging our stakeholders on our research in this area, a roundtable discussion on the 2010 State of the Public Service Report was held in November 2010. Furthermore, a Fact Sheet on the State of the Public Service in the Free State was produced.

Housing plays a critical role in addressing poverty and remains one of the key priorities of government. Against this background, the PSC assessed the performance of all the ten departments of housing/human settlements. The Report assesses the performance of the housing departments against the nine values and principles in Section 196 of the Constitution, using predetermined indicators and standards. The assessment further checks the progress that the departments have made since their last evaluation by the PSC, and highlights the challenges encountered and how these challenges are being addressed.

The PSC believes that the satisfaction levels of citizens can help to determine the effectiveness of government's programmes, and we therefore intensified our work on the inspection of service delivery sites to ensure that information on the quality of service delivery is gathered first-hand. In this regard, the PSC conducted inspections at the Departments of Police. The inspections focused on detective service at police stations and aimed to contribute to the fight against crime, which is one of government's priorities.

Over the past three financial years, the PSC has witnessed a decrease in the number of complaints

lodged through the National Anti-Corruption Hotline (NACH). In order to establish trends in respect of complaints lodged with the PSC during the 2009/10 financial year, the PSC conducted an analysis of the number of complaints lodged, their origin, nature and status. The implementation of the recommendations contained in this Report will facilitate a focused approach in the fight against corruption.

In relation to the fight against corruption, the NACH continues to play a strategic role as it remains an important public participation mechanism to report cases of alleged corruption. Since its inception in September 2004, a total of 8 646 cases have been referred to national and provincial departments, and public bodies for further handling. The PSC remains concerned about the slow rate of providing feedback and the actual finalisation of the cases by departments. In trying to address this challenge, the PSC held workshops to enhance department's capacity to investigate NACH cases during the period under review. Within just seven years of its existence, the PSC has managed to achieve notable results through this mechanism and it has truly contributed in reducing the levels of corruption in the Public Service. As part of monitoring anti-corruption initiatives, the PSC assessed the most common manifestations of corruption and its related risks in the Public Service. In its research, the PSC found that the most common forms in which corruption manifests itself are fraud and bribery. The Report proposes solutions to managing the high risk corruption areas identified.

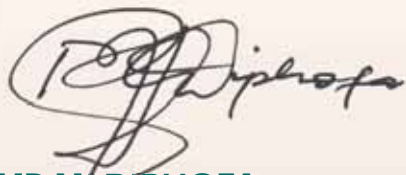
In trying to inculcate a culture of integrity in the Public Service, the PSC continued with implementing the Financial Disclosure Framework (FDF) for senior managers by managing the potential conflicts between the private interests of senior managers and their official responsibilities. Although there has been a steady increase in the compliance rate, the PSC still remains of the firm view that only a 100% compliance rate would be acceptable.

As a knowledge-based organisation, the PSC contributes to the development of public administration

through its oversight work and also engages Parliament regularly on its research reports. In conducting its oversight work in the Public Service, the PSC continues to produce research reports that aim to contribute to the development of public administration and engages with Parliament on these reports. All our research reports are available on the PSC website ([www.psc.gov.za](http://www.psc.gov.za)) and in our Head Office and Regional Offices. I would therefore like to thank the Portfolio Committee on Public Service and Administration for their continued support for our work and also all the three spheres of government for their cooperation when we conduct our research work.

On behalf of the OPSC, I would like to thank Dr Ralph Mjijima for his dedication and the strategic leadership that he provided during his tenure as Chairperson of the PSC. To the Deputy Chairperson and Commissioners, thank you for your guidance and support in ensuring that the PSC is steered in the right direction. Special thanks also go to our Audit Committee under the chairpersonship of Ms Thembisa Fuzani for their support throughout the year.

Team PSC, thank you for your dedication and hard work in ensuring that the PSC continuously delivers on its mandate.



**MR MJ DIPHOFA**  
**DIRECTOR-GENERAL: OFFICE OF THE**  
**PUBLIC SERVICE COMMISSION**

## 1.6 MANAGEMENT SYSTEMS

The PSC is supported by the OPSC, with its Head Office in Pretoria and regional offices in each province. The Director-General, who is the Accounting Officer, heads the OPSC. The work of the PSC is structured around the following six key performance areas:

- Labour relations improvement
- Leadership and human resource reviews
- Governance monitoring
- Service delivery and compliance evaluations
- Public administration investigations
- Professional ethics.

# CHAPTER 2

## Information on Predetermined Objectives



## 2.1 OVERALL PERFORMANCE

The activities undertaken by the PSC during the period under review are discussed in this chapter per programme and sub-programme. In order to put into context the activities of the sub-programmes, a brief description of the aims and key objectives of the Public Service Commission is provided.

### 2.1.1 VOTED FUNDS

**Table 1: Voted funds**

Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	(Over)/Under Expenditure R'000
133 766	134 595	134 024	571
Responsible Minister	Minister for Public Service and Administration		
Administering Department	Office of the Public Service Commission		
Accounting Officer	Director-General of the Office of the Public Service Commission		

### 2.1.2 AIM OF THE VOTE

The aim of the PSC is to promote the Constitutional values and principles of public administration in the Public Service.

### 2.1.3 SUMMARY OF PROGRAMMES

The activities of the PSC are grouped into four programmes namely, Administration; Leadership and Management Practices; Monitoring and Evaluation; and Integrity and Anti-Corruption.

- **Administration** conducts the overall management of the PSC and provides centralised support services.
- **Leadership and Management Practices** enable the PSC to promote sound Public Service leadership, human resource management, labour relations and labour practices.
- **Monitoring and Evaluation** enables the PSC to establish a high standard of service delivery, monitoring and good governance in the Public Service.
- **Integrity and Anti-Corruption** enables the PSC to undertake public administration

investigations, promote a high standard of ethical conduct amongst public servants and contribute to preventing and combating corruption.

### 2.1.4 KEY STRATEGIC OBJECTIVES ACHIEVEMENTS

The PSC's objectives are to promote and maintain effective and efficient public administration with a high standard of professional ethics. The core business of the PSC is to investigate, monitor, evaluate and advise on strategic Public Service issues. In addition, the PSC is a knowledge-based institution which produces research reports and provides advice, with the aim of contributing to a participatory and developmental Public Service.

As part of our oversight research, the PSC completed approximately 19 studies covering a wide range of areas such as monitoring and evaluation, grievance resolution in the Public Service, the implementation of the Performance Management and Development System for senior managers, inspections in service delivery sites as well as anti-corruption. These reports were also used as a basis for our engagement with stakeholders such as Parliament and departments.

## INFORMATION ON PREDETERMINED OBJECTIVES

The PSC also deepened its focus on the resolution of the grievances of public servants following the gazetting of the Rules for dealing with grievances of SMS members, including HoDs, which came into effect in September 2010. In promoting sound labour relations in the Public Service, the PSC together with the Public Service Coordinating Bargaining Council (PSCBC) co-hosted the 2<sup>nd</sup> Biennial Labour Relations Conference in March 2011. The conference aimed to amongst others, encourage interaction among labour relations practitioners and other stakeholders in the field of labour relations in the Public Service.

In trying to expedite the finalisation of investigations in relation to the complaints lodged, the PSC regularly reviewed its business processes and this proved to be a success as the PSC finalised more NACH cases during the period under review compared to the previous financial years. Furthermore, the PSC completed its planning for the implementation of a web application system to replace the paper based approach applied for the NACH. This system will ensure a speedy referral of Hotline cases.

### 2.1.5 OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT FOR THE 2010/2011 FINANCIAL YEAR

This section provides an overview of the service delivery environment in which the PSC operated during the period under review. It also provides an overview of the PSC's overall performance including an account of significant external developments that may have impacted either on the demand for the organisation's services or on its ability to deliver those services.

The Public Service is dependent on sound labour relations for the promotion of its service delivery objectives. The ineffectiveness identified within departments to comply with the timeframe in which a grievance should be resolved, remains a hampering aspect in the timeous resolution of grievances in the Public Service. As a result, the PSC continued to receive an influx of grievances directly from aggrieved employees. This is in spite of the attempts

made by the PSC to sensitise departments on the importance of the grievance procedure, in terms of which grievances are supposed to be lodged with departments first and not directly with the PSC. The PSC continued to use its powers to summons HoDs to account on reasons for their non-compliance with the grievance procedure. This is an attempt on the part of the PSC to put pressure on departments to resolve outstanding grievances speedily.

In monitoring the performance management of HoDs, the PSC is encouraged by the improvement in the number of PAs submitted for filing, but remains concerned that a 100% compliance rate of PAs has not as yet been achieved. What is even more worrying is the continuing decline in the number of HoDs whose performance gets evaluated. Not only is this unfair to the HoDs themselves, but it compromises accountability for performance in the Public Service.

The year 2010 also saw the finalisation of delivery agreements based on the twelve outcomes identified by government which has brought a renewed emphasis on the M&E of the performance of the Public Service. This has been a welcomed development for the PSC as it can potentially add momentum to measures for heightening good governance in public administration.

The PSC's efforts in ensuring that alleged acts of corruption and not service delivery complaints are reported to the NACH are yielding positive results and this is evidenced by the decrease in the number of service delivery complaints reported through the Hotline. Nonetheless, the PSC continues to refer the service delivery complaints lodged to the relevant departments. Due to the number of allegations of corruption received through the NACH, departments are placed under severe strain as a result of the lack of investigative capacity. This has resulted in unnecessary delays in the finalisation of referred cases. In an attempt to expedite the investigation of cases, the PSC plans to roll out a web-enabled system in the 2011/12 financial year.

The investigative capacity within the PSC is also limited and there are increasing demands being made on the PSC to respond to requests for investigations through the Complaints Rules and the NACH. The PSC has a responsibility to investigate such complaints and to provide feedback to callers. Given the increased demands made on the PSC and the limited financial and human resources, it had to adapt its methodology in conducting investigations by limiting itself largely to desktop investigations. This approach has limitations in that the PSC is dependent on departments for the provision of the necessary documentary evidence which in many instances is not provided timely. Regardless, the PSC is continuously striving to expedite the finalisation of investigations and is regularly reviewing its business processes. These steps have proved fruitful as the PSC has finalised more non-corruption related cases (398) lodged through the NACH during the 2010/11 financial year as compared to the previous financial year (332).

### 2.1.6 OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT FOR THE 2010/2011 FINANCIAL YEAR

This section provides a description of the significant internal developments that impacted on the PSC's ability to deliver on its strategic plan as well as the measures that were adopted to mitigate the impact of these events on service delivery.

During the reporting period, the PSC continued to experience capacity challenges. The PSC bade farewell to its Chairperson, Dr Ralph Mjijima, during the last quarter of the reporting period and the Commissioner based in the Western Cape, Dr Gavin Woods also resigned. The PSC also suffered the untimely deaths of Commissioners Jane Matsomela and Mamaroba Malahlela. Furthermore, the Commissioner position in the North West remained unfilled throughout the reporting period. In total at national level, two of the five posts of Commissioners were vacant and at provincial level, four of the nine posts were vacant. To mitigate the impact of these developments on service delivery, the Deputy Chairperson assumed the

responsibilities of Chairperson in addition to being a resident Commissioner for KwaZulu-Natal, whilst the rest of the Commissioners assumed additional responsibilities such as serving as resident and caretaker Commissioners for more than one province at a time.

There were also capacity challenges experienced in the management echelon of the OPSC. The positions of Deputy Director-General: Leadership and Management Practices and Integrity and Anti-Corruption were vacant for an extended period. The post of Deputy Director-General: Integrity and Anti-Corruption was filled with effect from 1 January 2011.

Since the work of the PSC is knowledge-based and therefore human resource intensive, budget restrictions put a severe limitation on the amount of work that the PSC could produce. The measures that were put in place to address this matter was to do more with less by, amongst others, reducing the number of outputs on its workplan, making maximum use of available staff and reviewing business processes. Furthermore, in order to ensure that the PSC implements procurement reforms, which include name changes introduced by National Treasury, the Directorate: Financial and Procurement Management was renamed the Directorate: Finance, Supply Chain Management and Security Services. This also paved the way for the creation of the post of Director: Supply Chain Management and Security Services.

With regards to supporting regional integration, the Chairperson of the PSC serves as the President of the AAPSComs, which is an Association aimed at promoting amongst others, good governance in the Public Services throughout Africa. With the OPSC serving as secretariat to the Association, this has significant financial and human resource implications.

### 2.1.7 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

This section provides an overview of the major changes to relevant policies and legislation that had an effect on the PSC's operations during the period

## INFORMATION ON PREDETERMINED OBJECTIVES

under review or that will have an effect in future financial periods.

### Amendments to the Grievance Rules

As far back as 2007, the PSC forwarded proposed amendments to the Grievance Rules published in Government Gazette No 25209 of 25 July 2003 to the PSCBC. However, the PSCBC has not had an opportunity to discuss the proposals due to other urgent business activities of the Council. The PSC continues to engage with the Department of Public Service and Administration for the proposed amendments to the Grievance Rules, 2003 to be discussed at the PSCBC as this will ensure alignment with the Rules for dealing with grievances of SMS members. It is, however, important to note that on 1 September 2010, section 31 of the Public Service Amendment Act, 2007 (Act No 30 of 2007) was promulgated by the President. As a result of this proclamation, the Rules for dealing with grievances of SMS members were gazetted on 17 September 2010.

### Monitoring and Evaluation

The PSC has, in an advisory capacity, been involved in the development of the Presidency's M&E guidelines and instruments, including a guideline on the preparation of an M&E framework, a guideline on evaluation, and a Performance Assessment Tool to assess the management capabilities of departments. The current outcomes approach of Government also facilitates the PSC's own evaluations of the performance of the Public Service. In this regard, the PSC is placed in a unique position to bring an independent analysis to government's own score card.

### Integrity Barometer Instrument

In its efforts to promote integrity and professional ethics in the Public Service, the PSC developed and piloted an Integrity Barometer Instrument. An Integrity Barometer, as envisaged by the PSC, is an instrument that will draw information on the state of integrity in

the Public Service based on selected indicators. The following are some of the draft indicators developed by the PSC:

- Compliance with the Minimum Anti-Corruption Capacity requirements
- Action taken on non-compliance with the Financial Disclosure Framework
- Rotation of Departmental Bid Committee members
- Unqualified audit reports
- Over and under expenditure
- Monitoring absenteeism from work
- Fair and equal treatment of citizenry in terms of service delivery.

The Integrity Barometer Instrument will primarily draw factual information which can be applied to determine the state of integrity in the respective departments. The Instrument has been piloted and comments received were used to fine-tune it. It is hoped that during the roll-out of the project, comprehensive information will be obtained which will strengthen government's approach to fighting corruption in the Public Service.

### 2.1.8 DEPARTMENTAL REVENUE, EXPENDITURE AND OTHER SPECIFIC TOPICS

#### Collection of departmental revenue

The PSC's receipts are made up of commissions from financial institutions on insurance premium deductions from employees' salaries. Other revenue derives from capital repayment of study loans and conditional bursaries, parking fees and payments for private telephone use.

**Table 2: Collection of departmental revenue**

	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Target	2010/11 Actual	% deviation from target
<b>Non-tax revenue</b>						
Sales of goods and services other than capital assets	41	42	63	65	65	-
Interest, dividends and rent on land	30	27	14	11	11	-
Financial transactions (recovery of loans and advances)	93	199	443	148	148	-
<b>TOTAL DEPARTMENTAL RECEIPTS</b>	<b>164</b>	<b>268</b>	<b>520</b>	<b>224</b>	<b>224</b>	<b>-</b>

### 2.1.9 DEPARTMENTAL EXPENDITURE

The total expenditure, excluding local and foreign aid assistance, amounted to R134 024 000, representing 99,6% of the total appropriation. The under expenditure of R571 000 was therefore 0,4% of the total budget. This comprises mainly savings from vacant posts.

### 2.1.10 TRANSFER PAYMENTS

An amount of R41 392 was paid for membership fees to international organisations. There was also an amount of R609 719 paid towards retirement and resignation benefits, as well as a claim against the state.

### 2.1.11 CONDITIONAL GRANTS AND EARMARKED FUNDS

There were no conditional grants or earmarked funds allocated to the PSC.

### 2.1.12 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

The PSC has captured all official assets in the asset register and the register complies with the minimum requirements as set by National Treasury.

The following asset management functions were performed by the Directorate: Finance, Supply Chain Management and Security Services:

- Ensure the adherence to asset management reporting requirements; and
- Ensure that officials are sufficiently trained on asset management processes and systems.

Capital assets to the value of R2 757 520, and current assets to the value of R372 180 were procured in line with the PSC's asset acquisition plan. Assets amounting to R53 889 were disposed and an amount of R20 803 was written off as loss of assets due to theft.

An amount of R2 498 050 was paid for gardening services, cleaning services, municipal services, pest control and safeguarding and security of the PSC's properties.

## INFORMATION ON PREDETERMINED OBJECTIVES

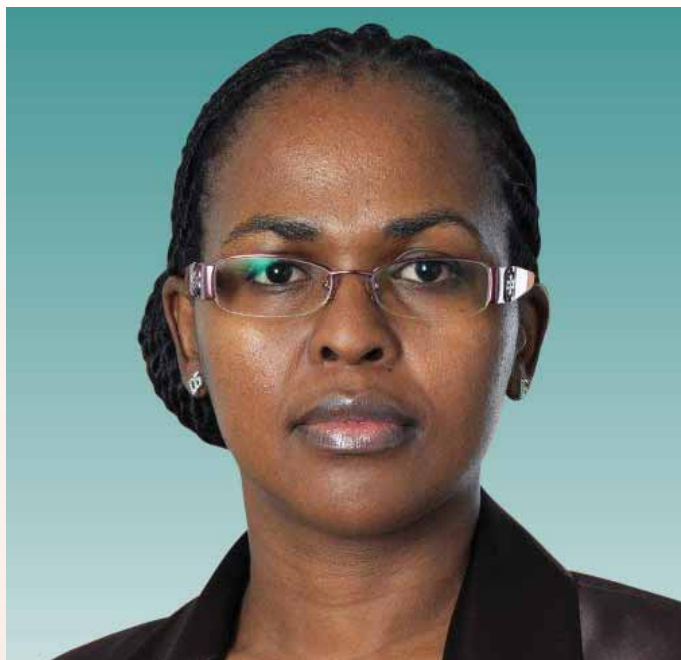
### 2.2 PROGRAMME PERFORMANCE

The activities of the PSC are grouped in the following programmes:

Programme 1: Administration  
Programme 2: Leadership and Management Practices  
Programme 3: Monitoring and Evaluation  
Programme 4: Integrity and Anti-Corruption.

*For ease of reference, each Chief Directorate in a branch (programme) will be considered as a sub-programme.*

#### 2.2.1 PROGRAMME 1: ADMINISTRATION



**Ms Bontle Lerumo**  
*Deputy Director-General*

The **purpose** of this programme is to manage, organise and provide administration support to the PSC and its Office.

The **strategic objective** of this programme is to provide logistical and management support through efficient human resources management, accountable financial management, effective communication and information technology services.

The programme is divided into three sub-programmes, namely: the PSC, Management and Corporate Services.

##### 2.2.1.1 Sub-programme: Public Service Commission

###### Purpose

This sub-programme provides for the conditions of service of the 14 Commissioners appointed in terms of Section 196 of the Constitution, 1996.

###### Strategic objectives

The objectives and activities of the PSC are based on its Constitutional mandate and are presented in its business plan for each financial year.

The objectives and activities for the 2010/11 financial year are discussed in detail under Programme 1: Administration, Programme 2: Leadership and Management Practices, Programme 3: Monitoring and Evaluation and Programme 4: Integrity and Anti-Corruption.

##### 2.2.1.2 Sub-programme: Management

###### Purpose

This sub-programme handles the overall management of the OPSC. It comprises the Office of the Director-General and the heads of the three line-function branches, as well as Corporate Services.

###### Strategic objectives

By means of strategic direction, management and control, the OPSC ensures that the business plan of the PSC is executed in an effective way. In addition, it ensures that the PSC is correctly advised on all matters emanating from its Constitutional mandate.

### 2.2.1.3 Sub-programme: Corporate Services

#### Purpose

The main aim of this sub-programme is to provide corporate services to the PSC and its Office.

#### Strategic objectives

The activities of this sub-programme are structured to meet the following objectives:

- Implement and maintain sound human resource management and development practices
- Provide effective logistical support
- Ensure accountable financial administration and management
- Provide effective information technology services
- Provide effective communication and information services.

### 2.2.1.4 Service delivery objectives and indicators

Sound financial management continues to be a hallmark in running the organisation. The workplan for the 2010/11 financial year would not have been executed without the transparent, accountable and proper management of the financial management system, with policies and procedures in place. Governance structures such as the Budget and Procurement Committees were in place to implement transparent and cost-effective procurement systems. Since the introduction of the project costing model in 2006, all project proposals submitted to the PSC are accompanied by a detailed costing of the output. This is to provide accurate information relating to the cost of projects, prior to approval. In order to maintain its track record of unqualified audits, the PSC continues to implement strong control measures regarding the acquisition of goods and services.

In relation to its research, the PSC has made strides in ensuring that its work contributes to sound public administration and reaches a wider audience through amongst others, the media, roundtable discussions

and workshops. Reports published by the PSC continue to be tabled in Parliament and Provincial Legislatures timeously in accordance with Section 196 (4)(e) of the Constitution, 1996. In its endeavour to further enhance internal communication, information sessions aimed at exchanging ideas as well as learning sessions aimed at contributing towards officials' better understanding of public administration were held. Similarly, management newsletters conveying information pertaining to key organisational developments were produced. As part of enhancing our corporate image, the PSC unveiled its revamped website ([www.psc.gov.za](http://www.psc.gov.za)) in September 2010. The improved website is more user-friendly and ensures easier navigation. A corporate identity manual aimed at providing officials with guidelines and specifications for the correct use and presentation of the PSC brand has been produced. The manual will ensure that the corporate identity of the PSC is effectively and consistently applied in all forms of visual communication.

In addition, the PSC has upgraded data lines in both the Western Cape and KwaZulu-Natal regional offices providing 10 times faster transmission rates between the Head Office and the mentioned regional offices. Disaster recovery initiatives were also established in order to keep the OPSC operational through unexpected events. Security procedures have been enhanced through the installation of the new firewall and a content filtering solution in order to increase the level of security in the protection of institutional data. Microsoft SharePoint was successfully implemented in order to facilitate group working, information sharing and document organisation in the OPSC.

## INFORMATION ON PREDETERMINED OBJECTIVES

Programme: Administration				
Strategic Objectives	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
<b>Sub-programme: Internal Audit</b>				
Internal Audit Coverage Plan developed and implemented	Internal controls in place	March 2011	Internal audits were conducted in line with the Internal Audit Coverage Plan  Fraud Prevention Plan and Whistle-Blowing Guide were approved in November 2010	Target met
Gift register managed	Updated gift register	March 2011	Gift register was updated on an ongoing basis	Target met
<b>Sub-programme: Financial Management and Administration</b>				
Expenditure against budget monitored	Funds surrendered to the National Treasury do not exceed 2%	March 2011	Funds surrendered to National Treasury amounted to R571 000, which translated to 0.4% of the total budget allocation	Target met
Project budgeting and costing undertaken			Project budgeting and costing were undertaken for 21 projects	Target met
Adequate funding for PSC workplan activities obtained	Increased funding for PSC workplan activities	March 2011	Draft Donor Funding Strategy for the OPSC was finalised by the OPSC in September 2010  Position Paper on Financial Independence of the PSC was presented to the PSC in September 2010  In addition, the PSC received additional funding from National Treasury, amounting to R4, 1 million for the 2011/12 Medium Term Expenditure Framework (MTEF) period	Target met
Financial reports that fairly and accurately present the financial position of the PSC	Financial transactions accurately recorded  Clean audit report	March 2011	12 State of Expenditure reports were submitted to National Treasury  Unqualified audit report with a paragraph on "other matters" was received for the 2009/2010 financial year	Target met
Quarterly report on performance information	Performance information reported	March 2011	4 quarterly reports were submitted to National Treasury	Target met



Programme: Administration					
Strategic Objectives	Measure/ Indicator		Actual Performance against Target		Reason for Variance
			Target	Actual	
<b>Sub-programme: Supply Chain Management</b>					
Asset register maintained	Updated asset register	March 2011	Asset register was updated and maintained on an ongoing basis	Target met	
Supply Chain Management (SCM) implemented	SCM policy adhered to  Service Level Agreements in place	March 2011	Implementation and monitoring of SCM was done on a regular basis  Four Service Level Agreements were signed	Target met	
Logistic policies implemented	Logistics policies complied with	March 2011	Implementation and monitoring of Logistics policies was done on a regular basis  Revised Travel Policy was approved in November 2010	Target met	
<b>Sub-programme: Property Management</b>					
Properties/physical properties managed  • Office accommodation secured and maintained	Office accommodation leases procured on time  Rental and municipal levies paid	March 2011	Renewal of Head Office accommodation was approved in October 2010  Payments were made on time	Target met	
• Accessibility to OPSC buildings by People with Disabilities (PWDs) improved	Problems identified and addressed	March 2011	Reminder letters were sent to the Department of Public Works in May and December 2010	Target not met. Delay was as a result of the PSC awaiting implementation of the recommendations contained in the Report on the accessibility of the OPSC buildings by PWDs, by the Department of Public Works	
<b>Sub-programme: Security Services</b>					
Visitors and documents screened	Access control measures implemented	March 2011	Screening of visitors and documents was done on a regular basis	Target met	
Security systems installed in selected regional offices	Upgraded security system	March 2011	Installed security alarm system at Limpopo and KwaZulu-Natal regional offices  Upgraded Head Office security systems	Target met	

## INFORMATION ON PREDETERMINED OBJECTIVES

Programme: Administration				
Strategic Objectives	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
<b>Sub-programme: Security Services (Continued)</b>				
Security Policy and Contingency Plan implemented and monitored	Risks and threats minimised through handling of emergencies	March 2011	<p>Implementation of the Security and Occupational Health policies were ongoing</p> <p>Contingency Plan was compiled in September 2010</p> <p>A security awareness workshop was held at Head Office in November 2010</p> <p>The following policies were approved:</p> <ul style="list-style-type: none"> <li>• Security Uniform Policy in June 2010</li> <li>• Security Policy in December 2010</li> <li>• Occupational Health and Safety Policy in December 2010</li> </ul>	Target met
<b>Sub-programme: Communication and Information Services</b>				
Internal PSC newsletter developed	Bi-monthly newsletters produced	March 2011	<p>6 internal newsletters were produced and distributed by March 2011</p> <p>In addition, a welcome message from the Director-General was issued in January 2011</p>	Target met
Information and Learning Sessions held	Information and Learning Sessions held	March 2011	<p>4 Information Sessions were held in April, September, November and December 2010</p> <p>2 Learning Sessions were held in July 2010 and March 2011</p>	Target met
Secretariat support provided to MANCO and other OPSC events	Minutes drafted and approved	March 2011	<p>MANCO meetings were held in July and December 2010, and March 2011. Minutes of the meetings were approved</p> <p>Strategic Planning Session was held in December 2010</p>	Target met
PSC intranet managed	Updated intranet	March 2011	PSC intranet site was updated on an ongoing basis	Target met

Programme: Administration				
Strategic Objectives	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
<b>Sub-programme: Communication and Information Services (Continued)</b>				
Information Resource Centre equipped with relevant material  • On-line research support provided to line function	On-line support provided timeously	March 2011	On-line research support and purchasing of library material for line function was done as and when necessary	Target met
• Relevant Information Resource Centre material purchased	Properly equipped Resource Centre	March 2011	Information Resource Centre added 3 research tools/subscriptions to its collection	Target met
Produce PSC Journal	PSC Journal published and distributed	August 2010	PSC Journal under the theme: <i>Reflections on an Ethical Public Service and Society</i> was published and distributed in October 2010	Delay in the timely finalisation of the PSC Magazine was due to the late submission of articles from contributors
Corporate identity manual developed	Corporate identity manual produced	March 2011	Corporate identity manual was completed in March 2011	Target met
Printing and related requirements managed	PSC reports standardised	March 2011	All reports were standardised to enhance the corporate image and were printed timeously	Target met
PSC Annual Report developed	Annual Report produced that adheres to the Treasury Guidelines	August 2010	Annual Report for the 2009/10 financial year, which was compiled in line with Treasury Guidelines, was approved by the PSC in May 2010. It was tabled in Parliament in September 2010	Target met
Annual Report to Citizens developed	Annual Report to Citizens produced	August 2010	Annual Report to Citizens was approved by the PSC in August 2010 and placed on the PSC website. It was also translated into 10 official languages	Target met
Media relations managed	Media liaison activities successfully coordinated	March 2011	8 media statements were issued and the PSC received substantial media coverage for its reports	Target met

## INFORMATION ON PREDETERMINED OBJECTIVES

Programme: Administration				
Strategic Objectives	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
<b>Sub-programme: Communication and Information Services (Continued)</b>				
PSC Magazine developed	PSC Magazine produced	March 2011	The Editorial Committee approved the 2010/11 theme: <i>Sound Labour Relations Practice – A key to Labour Peace</i> in September 2010 and the draft PSC Magazine is in progress	Delay in the timely finalisation of the PSC Magazine was due to the late submission of articles from contributors
Advocacy support provided to the PSC	PSC work communicated to stakeholders	March 2011	Participated in exhibitions and provided support during PSC events	Target met
Annual Review of Section 15 Notice and Promotion of Access to Information Manual conducted	Manual produced which adheres to the Promotion of Access to Information Act (PAIA)	August 2010	Access to Information Manual and Section 15 Notice were approved by the PSC in August 2010 and submitted to the Department of Justice and Constitutional Development as well as the Human Rights Commission in August 2010  Promotion of Access to Information Manual was translated into 8 official languages and placed on the PSC website	Target met
<b>Sub-programme: Information Technology</b>				
IT infrastructure, systems and services maintained	Network connectivity at 90% uptime	March 2011	The average network connectivity uptime was 94%	Target exceeded due to regular server maintenance conducted
	Logged faults resolved within 4 hours	March 2011	Logged faults were resolved within 4 hours	Target met
Internet Protocol (IP) Telephony implemented	Cost effective telephony services provided	March 2011	The PSC approved in September 2010 that the project be removed from the workplan	The PSC approved that the project be removed from the workplan due to budgetary constraints
Storage Access Network (SAN) technology implemented	Data centrally stored and archived	March 2011	SAN solution was acquired and implemented	SAN was only purchased in March 2011 and this delayed the storage and archiving of data centrally

Programme: Administration				
Strategic Objectives	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
<b>Sub-programme: Information Technology (Continued)</b>				
	Data protection and recovery simplified	March 2011	Data protection and recovery was simplified	Target not met. The project was dependent on the implementation of the SAN
Virtual Fax implemented	Increased productivity and lower communications costs	March 2011	Feasibility study for the virtual fax was completed in June 2010	Delay in the timely implementation was as a result of the lengthy vetting process by the National Intelligence Agency of the service providers that are supposed to render the service
<b>Sub-programme: Human Resource Management</b>				
Vacancies timeously filled	Vacancies filled within 3 months after becoming vacant	March 2011	44% of the vacant posts were filled within 3 months	Delay in filling the vacant posts within 3 months were, amongst others, as a result of challenges in the availability of panellists (for level 15 posts) and nominated candidates having to serve notice with their respective employers
Employment of PWDs	PWDs to comprise at least 2% of staff employed	March 2011	The OPSC has four (4) PWDs which translated to 1.8% of the staff complement	Target was not met as 2 people with disability left the employment of the OPSC. However, advertisements clearly indicated that PWDs were especially encouraged to apply for the posts
Employment of women in all management levels	Women to comprise of at least 50% of staff employed at management level	March 2011	Women at management level comprised 45,6% of the staff complement	Target not met due to staff turnover

## INFORMATION ON PREDETERMINED OBJECTIVES

Programme: Administration				
Strategic Objectives	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
<b>Sub-programme: Human Resource Management (Continued)</b>				
HR policies revised and implemented	HR policies approved	March 2011	4 policies were approved Employment Equity Plan was approved in November 2010	Target met
<b>Sub-programme: Human Resource Development</b>				
Mentorship programme in the OPSC implemented	Mentorship programme in place	March 2011	Mentorship Policy was approved in May 2010 Training on mentorship was conducted in March 2011	Target met
Workplace Skills Plan and Annual Training Report developed	Workplace Skills Plan produced Annual Training Report produced	March 2011	Workplace Skills Plan and Annual Training Report was approved in July 2010	Target met
Employee Wellness Programme (EWP) promoted, monitored and evaluated	EWP utilisation improved	March 2011	The monitoring of the utilisation of the EWP was conducted on a quarterly basis and its utilisation has improved. Referrals were done as and when the need arises	Target met
National and international special events and programmes commemorated in line with the National Calendar of Events from the Presidency (Special Programmes)	Events hosted	March 2011	7 events were commemorated	Target met
EPMIS and PMDS linked to the OPSC's objectives, and applied in a sound, reliable and objective manner	EPMIS and PMDS implemented	March 2011	All SMS members submitted their mid-term review forms and all employees on salary levels 2 to 12 submitted their bi-annual review forms Performance assessments for the 2009/10 financial year were conducted	Target met
Implementation and monitoring of service delivery standards facilitated	Approved service standards adhered to	March 2011	Service Delivery Improvement Plan (SDIP) for the 2010/11 financial year was implemented with effect from November 2010 and adherence to the service standards was monitored	Target met

Programme: Administration				
Strategic Objectives	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
<b>Sub-programme: Human Resource Development (Continued)</b>				
Compile the SDIP for 2011/12	Approved SDIP	March 2011	SDIP for 2011/12 was approved in January 2011	Target met
Discipline and grievances in the OPSC managed	Adherence to prescribed time frames	March 2011	2 grievances were lodged of which 1 was finalised within the stipulated time frame and 1 was pending	Delay in the timely finalisation of the grievance was as a result of the job evaluation processes that needed to be followed and the unavailability of the Job Evaluation Panel members to meet and make a decision on the outcome of the job evaluation process
OPSC Departmental Bargaining Chamber (DBC) supported	Consultations conducted with organised labour on matters of mutual interest	March 2011	6 DBC meetings were held	Target met

## INFORMATION ON PREDETERMINED OBJECTIVES

### 2.2.2 PROGRAMME 2: LEADERSHIP AND MANAGEMENT PRACTICES

The **purpose** of this programme is to promote sound Public Service leadership, human resources management, labour relations and labour practices.

The **strategic objective** of this programme is to improve Public Service labour relations, practices and policies, monitor the standard of Public Service leadership and evaluate human resource policies.

The programme is divided into two sub-programmes, namely Labour Relations Improvement and Leadership and Human Resource Reviews.

#### 2.2.2.1 Sub-programme: Labour Relations Improvement



#### Purpose

The main aim of the sub-programme is to enhance Public Service labour relations and management practices.

#### Strategic objectives

The main objectives of the sub-programme are to:

- Investigate grievances and complaints lodged by public servants and recommend appropriate remedies to national and provincial Executive Authorities (EAs)
- Conduct investigative research into labour relations practices in the Public Service, and making recommendations.

#### 2.2.2.2 Service delivery objectives and indicators

The PSC is mandated in terms of Section 196(4) (f)(ii) of the Constitution, 1996 to investigate grievances and recommend appropriate remedies. In terms of the provisions of the Grievance Rules which were promulgated in Government Gazette No 25209 of 25 July 2003, an employee should first attempt to resolve his or her grievance within the department. However, the PSC has found that departments generally fail to deal with grievances within the prescribed timeframe, resulting in the aggrieved employees referring their grievances to the PSC for investigation.

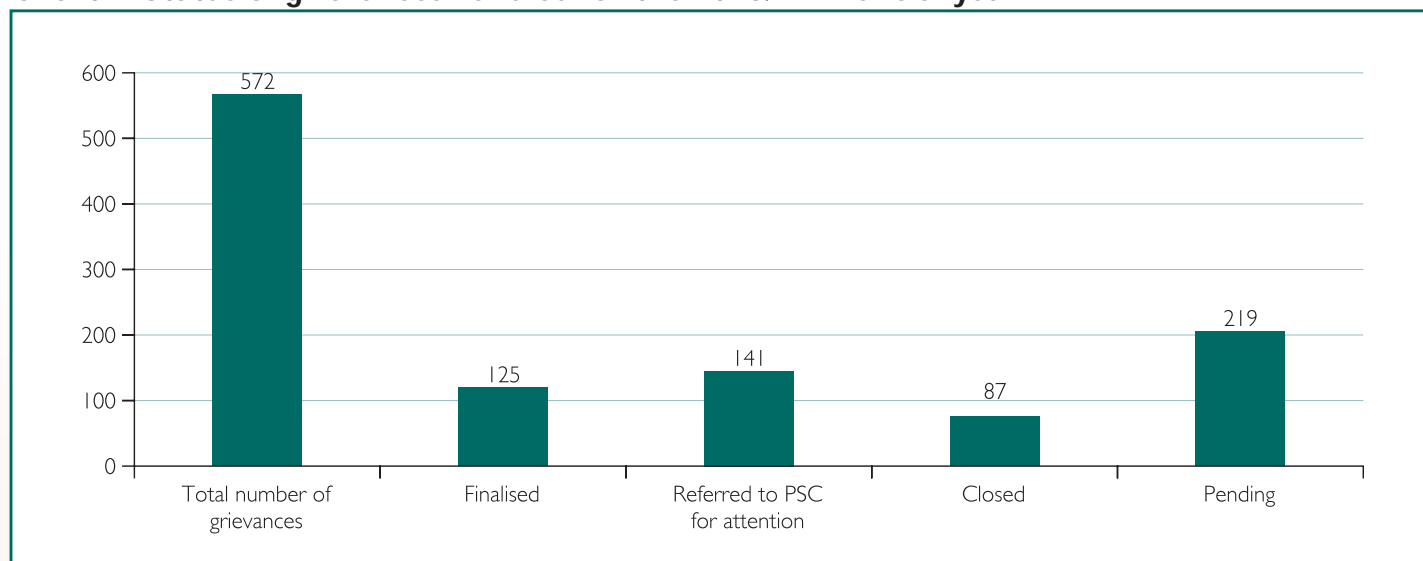
During the 2010/11 financial year, the PSC registered a total of 572 grievances on its database as reflected in **Chart 1** on the following page. Of these, a total of 141 cases were referred to the PSC by aggrieved employees. In respect of 109 of the total grievances received, departments did not comply with the prescribed timeframe in which the grievances should have been finalised. As a result of the non-compliance by departments to deal with the grievances of employees, the PSC has had to embark on a process of summoning HoDs in terms of Section 10 of the Public Service Commission Act, 1997. During the period under review, the PSC summonsed three HoDs for non-compliance with the prescribed timeframe for dealing with grievances. In 30 out of the 141 cases referred to the PSC, the aggrieved did not lodge formal grievances with their respective departments and as such, were advised to follow the prescribed grievance



procedure. In two of the total grievances, former employees lodged their grievances with the PSC and the cases were referred to the respective EAs for their attention.

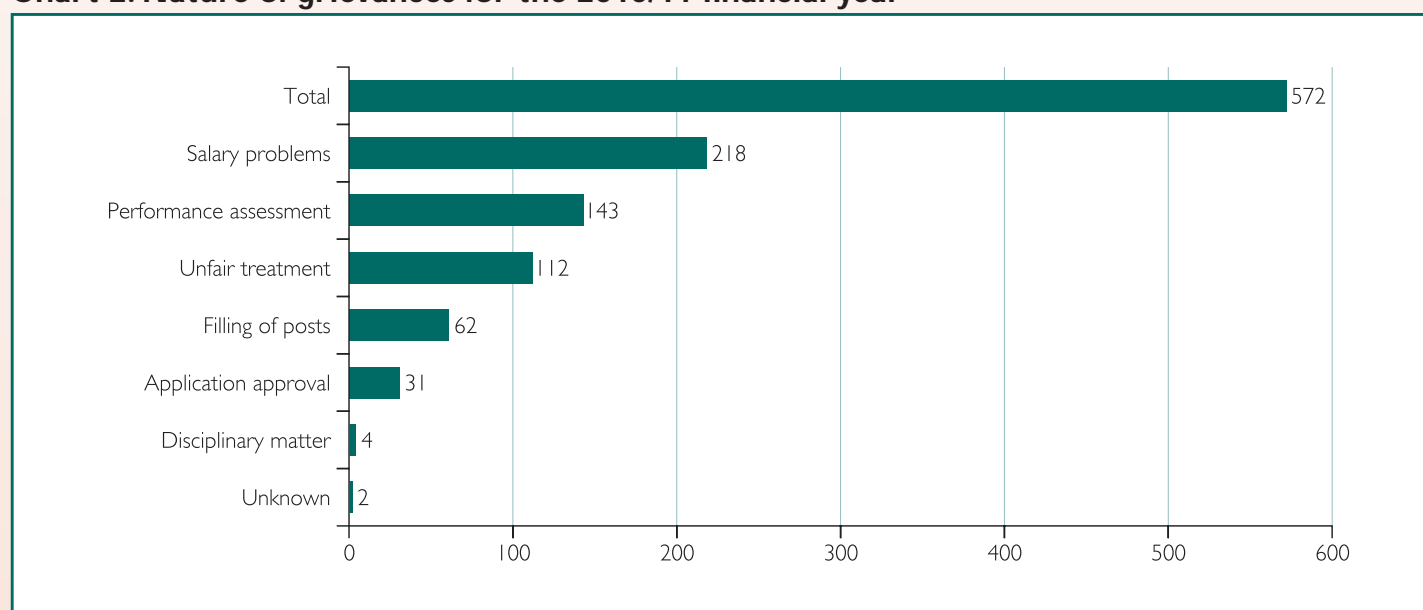
A total of 125 grievances were finalised, of which 58 were investigated by the PSC and a total of 67 were resolved at departmental level. Eighty seven cases were regarded as closed for reasons such as non-compliance with the prescribed 90 days in which a grievance should be lodged. As at 31 March 2011, a total of 219 cases were pending.

**Chart 1: Status of grievances handled for the 2010/11 financial year**



**Chart 2** below provides a breakdown in respect of the nature of grievances. Grievances relating to salary related problems rated the highest (218), with grievances relating to performance assessments rating the second highest (143). Grievances relating to unfair treatment were the third highest number (112) of dissatisfactions lodged by employees.

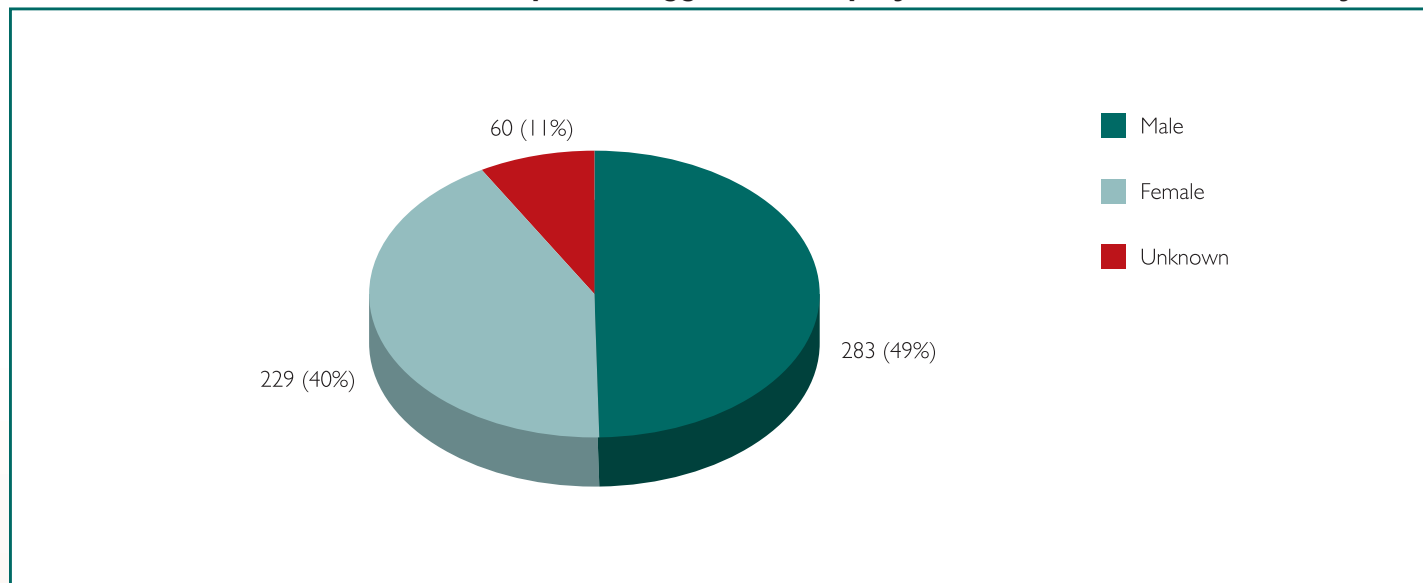
**Chart 2: Nature of grievances for the 2010/11 financial year**



## INFORMATION ON PREDETERMINED OBJECTIVES

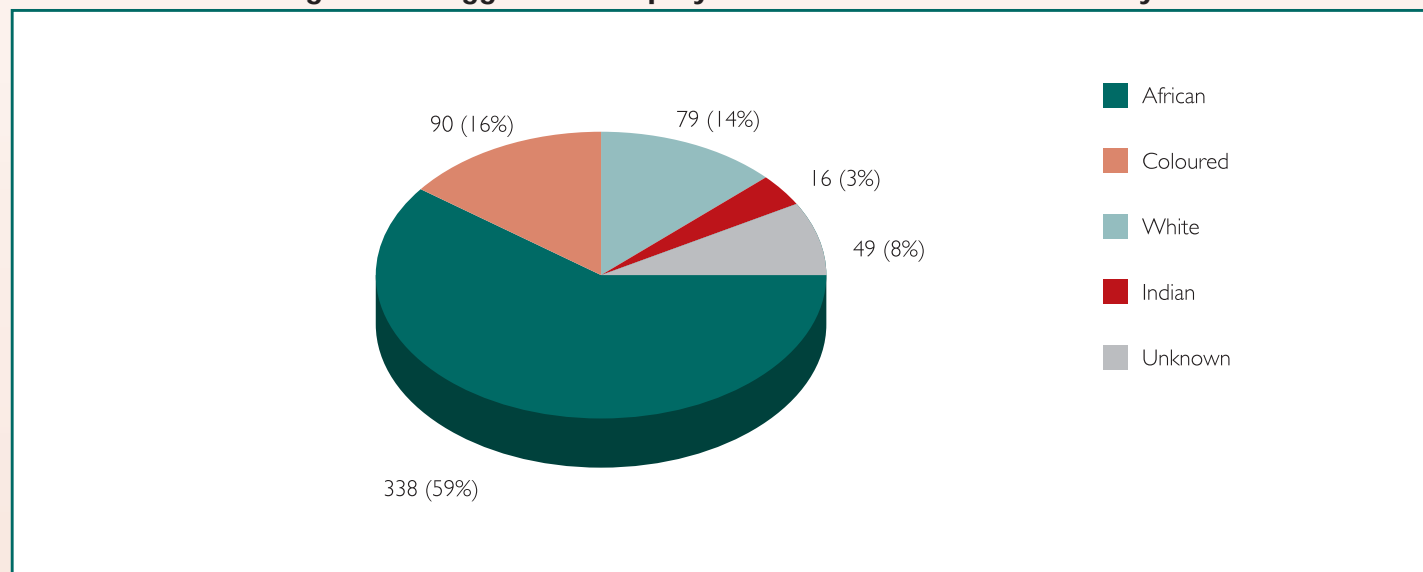
**Chart 3** below provides an overview in respect of the gender distribution of aggrieved employees. From the total of 572 grievances received, 283 (49%) were lodged by males while 229 (40%) were lodged by females. The gender of the remaining 60 (11%) could not be determined due to incomplete information provided by departments and/or aggrieved employees.

**Chart 3: Gender distribution in respect of aggrieved employees for the 2010/11 financial year**



The racial categories of aggrieved employees are depicted in **Chart 4** below. From the total of 572 grievances received, 338 (59%) were lodged by Africans while 90 (16%) were lodged by Coloureds, 79 (14%) by Whites and 16 (3%) by Indians. The race of the remaining 49 (8%) could not be determined due to incomplete information provided by departments and/or aggrieved employees.

**Chart 4: Racial categories of aggrieved employees for the 2010/11 financial year**



In promoting sound labour relations in the Public Service, the PSC together with the PSCBC and with technical assistance from the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) co-hosted the 2<sup>nd</sup> Biennial Labour Relations Conference from 14 - 16 March 2011. The Conference proved to be a success as it explored, interrogated and debated

higher level labour relations problems that the country in general and the Public Service in particular face, and which will increasingly require the attention of Labour Relations Practitioners. As such, the Conference provided an opportunity for Labour Relations Practitioners to share knowledge beyond the bounds of their normal areas of expertise.

Sub-programme: Labour Relations Improvement				
Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Grievance management in the Public Service  <ul style="list-style-type: none"> <li>Grievances and complaints investigated</li> </ul>	Grievances finalised within 3 months from date of receipt	March 2011	<p>The PSC received 572 grievances of which 62% were concluded within three months from date of receipt</p> <p>141 of the grievances were referred to the PSC for attention in terms of the grievance procedure, and 125 were finalised within three months from date of receipt of all the relevant documentation</p> <p>87 grievances from the total received by the PSC were closed because of among others, the aggrieved withdrawing the cases or the PSC having no jurisdiction</p> <p>219 grievances were pending as the PSC was not provided with all the required documentation</p> <p>A total of 13 complaints were received and two were carried over from the previous financial year, making a total of 15 on the database. These were handled as follows:</p> <ul style="list-style-type: none"> <li>7 complaints were closed</li> <li>5 complaints were finalised</li> </ul>	Delays in the timely finalisation of the investigation of grievances and complaints were as a result of non-compliance by departments to deal with grievances of employees within the prescribed timeframe as well as failure to provide the PSC with all the relevant documentation on time

## INFORMATION ON PREDETERMINED OBJECTIVES

Sub-programme: Labour Relations Improvement				
Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
			<ul style="list-style-type: none"> <li>• 2 complaints were awaiting approval</li> <li>• 1 complaint was referred to the department</li> </ul>	
<ul style="list-style-type: none"> <li>• Database on grievances and complaints managed</li> </ul>	Monthly reports produced	March 2011	Monthly reports were produced	Target met
<ul style="list-style-type: none"> <li>• 2 six monthly reports on departmental grievance resolution compiled</li> </ul>	Technical briefs produced	May 2010 November 2010	Technical briefs were approved by the PSC in June and December 2010	Delays in the timely finalisation of the Technical Briefs were as a result of the failure by departments to submit their six monthly reports on grievance resolution to the PSC by the due date
Trends analysis on grievance resolution in the Public Service for the 2009/2010 financial year produced	Fact sheet produced	October 2010	Fact sheet was approved by the PSC in October 2010	Target met
The management of grievances evaluated to identify best practices	Report with recommendations	March 2011	Draft Report was compiled in January 2011 although final approval could not be obtained by March 2011	Delays in the timely finalisation of the Report was due to additional research that needed to be undertaken to strengthen the findings of the report
2 <sup>nd</sup> Biennial Labour Relations Conference hosted	Conference hosted	September 2010	2 <sup>nd</sup> Biennial Labour Relations Conference was held in March 2011	Conference was postponed due to the national Public Service Strike
Report on the 2 <sup>nd</sup> Biennial Labour Relations Conference produced	Report with recommendations	March 2011	Report was not finalised by the end of the financial year	The Report was delayed as the Conference only took place in March 2011
Comparative study of collective bargaining in the Public Service conducted	Research paper produced	February 2011	Research Paper was not finalised by the end of the financial year	Delays in the timely finalisation of the research paper was as a result of the challenges experienced in obtaining information from the countries included in the sample

Sub-programme: Labour Relations Improvement				
Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Report on the management of precautionary suspensions in the Public Service produced	Report with recommendations	November 2010	Draft Report was compiled in March 2011	Delays in the timely finalisation of the Report was as a result of the national Public Service strike which impacted on the collection of data and documents from the sampled departments
Legal support to the PSC and the Office provided	Legal advice provided	March 2011	Advice and legal support provided	Target met
Secretariat support rendered to the Association of African Public Services Commissions <ul style="list-style-type: none"> <li>• Meetings of the AAPSComs facilitated</li> </ul>	Minutes of meetings approved	March 2011	No AAPSComs meeting took place during the reporting period  Matters emanating from the meeting of the Executive Committee of the AAPSComs held in March 2010, were taken forward  Letters and other communiqué between the AAPSComs Presidency and the members of the Executive Committee were exchanged throughout the year in preparation for the Western African Region hosting the 2 <sup>nd</sup> AAPSComs General Assembly	No meeting was held as the Western African Region was unable to provide the AAPSComs Presidency with a suitable date for the 2 <sup>nd</sup> AAPSComs General Assembly
<ul style="list-style-type: none"> <li>• Effective and operational AAPSComs website</li> </ul>	Website updated	March 2011	Website was regularly updated	Target met

## INFORMATION ON PREDETERMINED OBJECTIVES

### 2.2.2.3 Sub-programme: Leadership and Human Resource Reviews



**Ms Charmaine Julie**  
*Chief Director*

#### Purpose

The main aim of this sub-programme is to promote a high standard of Public Service leadership and encourage best practices in human resource policies.

#### Strategic objectives

The main objectives of this sub-programme are to:

- Provide guidelines on the performance management of HoDs
- Facilitate the evaluation of national and provincial HoDs
- Advise EAs and HoDs on the quality of PAs
- Engage in research to promote and improve Public Service leadership
- Engage in research on strategic human resource issues.

### 2.2.2.4 Service delivery objectives and indicators

Recognising the importance of an efficient and effective

administrative leadership, the PSC has continued to focus on leadership and management practices aimed at strengthening of the Public Service leadership. One of the areas in which the PSC has been playing an active role is the facilitation of the evaluation of the performance of HoDs. There was a total of 157 HoD posts in the Public Service during the 2010/2011 cycle, with 47 in national and 110 in provincial departments. Of these, 7 of the posts in national and 23 in provincial departments were either vacant, had newly appointed HoDs or the HoD was on suspension. A total of 127 HoDs from both national and provincial departments were expected to file their PAs with the PSC for the 2010/11 financial year but as at 31 March 2011, the PSC had received a total of 108 PAs which translates to an 85% compliance rate. Although there was an improvement in terms of the compliance rate as compared to the previous financial year, the PSC will not be satisfied until it receives 100% compliance. A technical brief on the filing of PAs was developed and submitted to, amongst others, the Minister for Public Service and Administration and the Portfolio Committee on Public Service and Administration.

Only 8 HoDs were evaluated for the 2009/10 performance cycle. The PSC continues to express its concern at the high number of HoDs who qualified to be evaluated, but were not evaluated for the respective financial year.

In an effort to improve awareness within departments about the performance management process of HoDs and ensure a common understanding of the process, the PSC hosted a Workshop on the Guidelines for the Evaluation of HoDs and other matters related to the HoD evaluation process.

The PSC's focus on effective performance management has not been limited to HoDs. Over the years, the PSC has produced a series of evaluations on the implementation of the PMDS in various provinces and the findings generally show that the PMDS has not been implemented effectively. The study was extended to the Western Cape Provincial Government and whilst some of the challenges regarding compliance

to the PMDS were found to exist in this Province as well, the study also highlighted some key successes achieved by the Province. This includes the fact that the Western Cape Provincial Government has been consistently successful in conducting block evaluations for its Heads of Department, resulting in 100% compliance.

While sound human resource processes such as the implementation of the PMDS in provincial departments is important, the PSC has found it necessary to expand

its focus in this area to local government as well. In this regard, and given the fact that local government occupies centre stage in the provision of basic services, the PSC assessed the extent to which municipalities apply recruitment and selection tools in respect of section 57 managers and municipal managers as the uppermost administrative echelon. The study found that whilst almost all the municipalities selected to participate in the study had the necessary systems in place, correct processes were not always followed in the recruitment and selection of officials.

Sub-programme: Leadership and Human Resource Reviews				
Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Human resource development practices in the Public Service assessed	Report with recommendations	February 2011	Draft Report was compiled in November 2010, although final approval could not be obtained by March 2011	Delays in the timely finalisation of the Report was due to additional research that needed to be undertaken to strengthen the findings of the report
Employee satisfaction in the Public Service investigated	Report with recommendations	February 2011	Project was removed from workplan	Plenary took a decision in August 2010 to remove the project from the workplan in order to avoid duplication with the work being done by the Department of Public Service and Administration on a similar topic
Requests for investigations into human resource practices in the Public Service responded to	Report with recommendations	March 2011	No <i>ad hoc</i> requests were received	No <i>ad hoc</i> requests were received
The implementation of the Performance Management and Development System for senior managers in the Western Cape Province assessed	Report with recommendations	January 2011	Report was approved by the PSC in March 2011	Delays in the timely finalisation of the Report was as a result of the need to collect additional information and conduct additional research to strengthen the findings of the report

## INFORMATION ON PREDETERMINED OBJECTIVES

Sub-programme: Leadership and Human Resource Reviews				
Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
The implementation of recruitment and selection practices in local government assessed	Report with recommendations	March 2011	Report was finalised by the OPSC in March 2011 and approved by the PSC in April 2011	Target met
Factsheet on the duration of employment per grade of Senior Management Service members levels 13 -16 for three financial years 2007/08, 2008/09 and 2009/10	Report with recommendations	February 2011	Draft Factsheet was compiled in March 2011	Plenary approved this as an additional project to replace the project on the investigation of employee satisfaction in the Public Service. As this is a replacement project, the project only commenced in October 2010  In addition, the information initially obtained through PERSAL was inadequate and as a result, the sampled departments had to be approached directly to provide the required information
HoDs Performance Agreements monitored and evaluated  • PAs of HoDs quality assured	Advice provided to EAs on the quality of PAs in accordance with the SMS Handbook	March 2011	33 national and 75 provincial HoDs filed their PAs as at 31 March 2011	The PSC did not receive 19 PAs that were expected
• Rate of compliance by HoDs with the filing of PAs monitored	Technical briefs produced	August 2010	Technical briefs were not finalised by the end of the financial year	The finalisation of the technical brief was delayed whilst the PSC was continuing with efforts to get EAs and HoDs to file their PAs
HoD evaluation process managed and strengthened  • Guidelines for 2009/2010 evaluation cycle developed	Guidelines published	August 2010	Guidelines were approved by the PSC and published in October 2010	The finalisation of the Guidelines was delayed pending further discussions regarding new proposals for inclusion to improve the evaluation process. However, the new



Sub-programme: Leadership and Human Resource Reviews				
Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
				proposals were later left out in order not to further delay the publishing of the Guidelines
<ul style="list-style-type: none"> <li>Qualifying national and provincial HoDs evaluated</li> </ul>	All qualifying HoDs evaluated	March 2011	<p>7 national HoDs were evaluated, of which 5 were for the previous evaluation cycles and 2 were for the 2009/10 cycle</p> <p>43 provincial HoDs were evaluated, of which 37 were for the previous cycles and 6 were for the 2009/10 cycle</p>	Not all qualifying HoDs were evaluated due to the responsible Members of the Executive not initiating the process
<ul style="list-style-type: none"> <li>Rate of compliance with the HoD evaluation process monitored</li> </ul>	Technical brief produced	March 2011	Technical brief was not finalised by the end of the financial year	The finalisation of the technical brief was delayed whilst the PSC was continuing with efforts to get EAs to initiate the evaluation of their HoDs
Organisational Performance Assessment (OPA) Framework applied	Advice provided to EAs on the performance of their departments	March 2011	Proposal on the implementation of the OPA was compiled in January 2011	Delays in the timely finalisation was due to internal consultation on the approach for implementing the OPA
HoD evaluation process reviewed	Report with recommendations	August 2010	The key issues emanating from the review of the HoD evaluation process were captured in a draft Cabinet memorandum. However, a joint review process involving the Presidency was then introduced to take the process forward	The review of the HoD evaluation process was delayed to allow the joint review team involving the Presidency to run with the process first

## INFORMATION ON PREDETERMINED OBJECTIVES

### 2.2.3 PROGRAMME 3: MONITORING AND EVALUATION



The **purpose** of this programme is to enable the PSC to establish a high standard of service delivery, monitoring and good governance in the Public Service.

The **strategic objective** of this programme is to improve governance practices and conduct service delivery assessments in the Public Service.

The programme is divided into two sub-programmes, namely: Governance Monitoring and Service Delivery and Compliance Evaluations.

#### 2.2.3.1 Sub-programme: Governance Monitoring



#### **Purpose**

The main aim of this sub-programme is to promote good governance and improve governance practices in the Public Service.

#### **Strategic objective**

The main objective of the sub-programme is to monitor and evaluate compliance with the principles governing public administration in selected government departments and selected government delivery programmes.

#### 2.2.3.2 Service delivery objectives and indicators

Good governance is evidenced by compliance with the values governing public administration in section 195 of the Constitution. The PSC has conducted assessments of departments against these values using a specific assessment framework based on performance indicators for each of the values. During the period under review, the PSC achieved an assessment rating for 130 departments in its database. Through this,

the PSC is able to establish trends in performance and identify the main areas of weaknesses.

With regard to institutional assessments, the sample of departments for the 2010/11 research cycle comprised four national and seventeen provincial departments. The sample included all agriculture departments and Offices of the Premier, allowing the PSC to focus specifically on these two sectors. The ratings of departments and performance trends are summarised in the Consolidated M&E Reports. The PSC produced the 7<sup>th</sup> Consolidated M&E Report which not only provided an overview of the overall performance of the individual departments that were evaluated, but also provided an assessment of the trend of adherence to the standards for each principle for the period 2000 to 2010.

Considering some challenges experienced with its current M&E System and the need to constantly improve the quality of its work to make it as relevant and useful to its clients as possible, the PSC decided to review the System in the 2010/11 financial year.

One objective with the revision of the System was to accommodate the different roles and functions of different types of national and provincial departments, including policy/ regulatory departments, service delivery departments and departments serving other departments. This means that the indicators should be appropriate in relation to the function that the department fulfils.

The PSC also undertakes programme evaluations and is currently prioritising poverty reduction programmes. Accordingly, the PSC launched a series of evaluations in 2005 and has already conducted three evaluations, i.e. two meta-evaluation studies (evaluation of evaluations) and three poverty reduction dialogues. During the reporting period, the PSC conducted an evaluation of the Comprehensive Agricultural Support Programme and a meta-evaluation of a Review of the Land Redistribution for Agricultural Development programme. In view of the fact that poverty reduction is a priority of government, the PSC will continue with these evaluations as they already provide important insights into the successes and challenges faced by government with these programmes.

Sub-programme: Governance Monitoring				
Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
State of the Public Service assessed  • National roundtable on SOPS 2010 conducted	Report with recommendations	September 2010	Roundtable was held in November 2010  Report on the roundtable was approved by the PSC in January 2011	Roundtable was postponed due to the late completion of the SOPS Report. The Report on the roundtable was subsequently delayed as the roundtable only took place in November 2010
• Provincial engagements on the state of the Public Service conducted	Reports with recommendations	March 2011	An engagement in partnership with the North West Legislature on the Consolidated M&E Report took place in October 2010. A Report on the engagement was approved by the PSC in December 2010	Target met

## INFORMATION ON PREDETERMINED OBJECTIVES

Sub-programme: Governance Monitoring				
Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
<ul style="list-style-type: none"> <li>State of the Public Service Report 2011 produced: Theme: <i>Innovating for Effective Public Service Delivery</i></li> </ul>	Report with recommendations	March 2011	Draft Report was compiled in February 2011	Delays in the timely finalisation of the Report was as a result of capacity constraints in key management positions in the OPSC
<ul style="list-style-type: none"> <li>Theme for the 2012 State of the Public Service Report approved</li> </ul>	Theme approved	June 2010	Theme was approved in November 2010	Approval of the theme was delayed as the matter was deferred to the Plenary meeting which took place in November 2010
Thirteen reports on the evaluation findings of departments' adherence to the Constitutional Principles of Public Administration produced	Reports with recommendations  Compliance with accepted research and M&E standards	February 2011	1 report was approved in March 2010, 5 reports were compiled between January and March 2011 and the remaining 7 reports were not finalised within the financial year	Delays in the timely finalisation of the Reports include amongst others, late submission of requested information by departments
Eight reports on the evaluation of departments' adherence to the Constitutional Principles of Public Administration produced (agriculture sector)	Reports with recommendations  Compliance with accepted research and M&E standards	February 2011	3 reports were compiled in February and March 2011 and the remaining 5 reports were not finalised within the financial year	Delays in the timely finalisation of the Report was due to the late availability of the department's Annual Report, which serves as a major source of information
7 <sup>th</sup> Consolidated M&E Report for the 2009/10 evaluation cycle produced	Report with recommendations	October 2010	Report was approved by the PSC in November 2010	The target date of October 2010 could not be met as a result of the late approval of the individual M&E reports, as content of the Report is sourced from them
Consolidated M&E Report for the agriculture sector produced	Report with recommendations	March 2011	Plenary approved the extension of the target date to September 2011	The target date of March 2011 could not be met as a result of the late approval of the individual M&E reports, as content of the Report is sourced from them

**Sub-programme: Governance Monitoring**

Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Consolidated M&E Report on Offices' of the Premier produced	Report with recommendations	March 2011	Plenary approved the extension of the target date to September 2011	The target date of March 2011 could not be met as a result of the late approval of the individual M&E reports, as content of the Report is sourced from them
Transversal Public Service Monitoring and Evaluation System (PSM&ES) assessment framework reviewed and implemented	Reviewed assessment framework	June 2010	Workshop on the proposed new indicators was conducted with the PSC in February 2011  Plenary approved the extension of the target date to June 2011	Delays in the timely finalisation was as a result of the proposed workshop with the PSC not taking place due to prior commitments by the PSC
Fact sheet on the state of the Public Service in a province produced	Fact sheet produced	November 2010	Fact sheet was approved by the PSC in February 2011	Delays in the timely finalisation of the Report was as a result of capacity constraints
Overview of the State of the Public Service  • 2010 State of the Public Service Report: <i>Integration, Coordination and Effective Public Service Delivery</i>	Report with recommendations	August 2010	Report was finalised by the OPSC in July 2010 and approved by the PSC in September 2010	Target met
Consolidated M&E Report for Departments of Housing	Report with recommendations	July 2010	Report was approved by the PSC in July 2010	Target met
The Programme of Farmer Support and Development Services provided by the national and provincial departments of Agriculture evaluated	Report with findings and recommendations	March 2011	Draft Report was compiled in March 2011	Delays in the timely finalisation of the Report was as a result of capacity constraints

## INFORMATION ON PREDETERMINED OBJECTIVES

Sub-programme: Governance Monitoring				
Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Meta-evaluation report on a selected poverty reduction programme produced	Report with findings and recommendations	November 2010	Report was finalised by the OPSC in March 2011	Delays in the timely finalisation of the Report was as a result of the Department of Rural and Land Reform's recommendation for the discontinuation of this project due to the fact that the Land Reform for Agricultural Development programme (the programme targeted for meta-evaluation) was replaced by the Proactive Land Acquisition Strategy (PLAS)
Monitoring report on the implementation of the PSC's recommendations to departments produced	Report with recommendations	July 2010	Report was approved by the PSC in October 2010	Delays in the timely finalisation of the Report was as a result of capacity constraints
Resource guide on the establishment of an M&E System produced	Guide published	October 2010	Project was removed from the workplan	The PSC took a decision in January 2011 to remove the project from the workplan as the project overlaps with the guidelines issued by the Presidency on evaluation and the M&E framework for the Public Service

#### 2.2.3.4 Sub-programme: Service Delivery and Compliance Evaluations



**Ms Irene Mathenjwa**  
*Acting Chief Director*

##### **Purpose**

The main aim of this sub-programme is to promote improved service delivery through public participation and monitoring of quality audits.

##### **Strategic objectives**

The main objectives of the sub-programme are to:

- Conduct performance and management audits
- Promote *Batho Pele* compliance
- Assess the impact of the quality assurance assessment methodology
- Plan, conduct and manage Citizen Satisfaction Surveys and Citizen' Forums
- Monitor and investigate adherence to applicable procedures in the Public Service.

#### 2.2.3.5 Service delivery objectives and indicators

The PSC proposes measures to ensure an effective and efficient Public Service that is citizen-oriented to provide quality services to the citizens. The manner in

which Public Services are provided is very critical, thus striving for excellence and continuous service delivery improvement in the Public Service is crucial. During the period under review, the PSC evaluated the role of agencification in selected sectors as an alternative way to deliver services to citizens at a faster pace.

The PSC views public participation as an integral part of service delivery. Citizens' views and inputs on the provision of services strengthens social cohesion between government and the citizens, whilst feedback on services provided serve as an important component of performance management. In this regard, the PSC conducted a citizen satisfaction survey based on the South Africa-specific drivers of citizen satisfaction. The focus was on the priority areas of government as performance on these will ensure a better life, as well as improved and sustainable livelihood for all of South Africa's citizenry. Based on the ten South Africa-specific drivers of citizen satisfaction, a survey was conducted to measure citizens' level of satisfaction with the services provided by selected departments. The findings from this survey show that the overall average level of satisfaction across all five departments that participated in the survey was 57.9%. Recommendations are provided on areas where citizens raised levels of dissatisfaction with the provision of services.

Service delivery inspections continued to play an integral part of the PSC's work as it entrenches a citizen and service-centred culture, and reinforces accountability across the Public Service. During the period under review, the PSC conducted on-site service delivery inspections at police stations to assess the quality of the services rendered by the detective services in ensuring that case dockets of crimes are well investigated, prepared and ready to be presented in court. The inspections assist in determining whether departments are achieving the required service standards intended to meet the needs of the people of South Africa. To deepen its findings, the PSC conducted follow-up visits to the Forensic Science Laboratories (FSLs) of the Departments of Health and Police. The FSLs, and in particular, forensic reports,

## INFORMATION ON PREDETERMINED OBJECTIVES

play a key role in the value chain of detective services' work by advancing the criminal justice system.

Sub-programme: Service Delivery and Compliance Evaluations				
Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Citizen Satisfaction Survey conducted based on the key drivers of citizen satisfaction	Report with recommendations	February 2011	Report was finalised by the OPSC in February 2011	Target met
Consolidated Report on inspections in the Departments of Health produced	Report with recommendations	June 2010	Report was approved by the PSC in July 2010	Delays in the timely finalisation of the Report was due to the need to have the findings verified with the officials of the Department of Health
Inspections conducted in the Department of Police focusing on detective services at police stations	Report with recommendations	January 2011	Report was approved by the PSC in March 2011	Delays in the timely finalisation of the Report was as a result of the unavailability of senior officials at the Department of Police to provide information on the functioning of the detective services
The effectiveness of <i>Batho Pele</i> in Public Service delivery assessed	Report with recommendations	February 2011	Draft Report was compiled in March 2011	Delays in the timely finalisation of the Report was as a result of the need to conduct further research to consolidate the findings and recommendations in terms of the national and nine provincial reports
The role of agencification on Public Service delivery in selected sectors evaluated	Report with recommendations	January 2011	Draft Report was compiled in December 2010	Delays in the timely finalisation of the Report was due to additional research that needed to be undertaken to strengthen the findings of the report
Oversight guide on the organisation of the Public Service produced	Oversight guide produced	November 2010	Oversight guide was approved by the PSC in January 2011	Delays in the timely finalisation of the Guide was due to additional research undertaken



## 2.2.4 PROGRAMME 4: INTEGRITY AND ANTI-CORRUPTION



**Dr Dvhani Mamphiswana**  
*Deputy Director-General*

The **purpose** of this programme is to enable the PSC to undertake public administration investigations, promote a high standard of ethical conduct amongst public servants and contribute to preventing and combating corruption.

The **strategic objective** of this programme is to combat corruption and maladministration, and promote professional ethics within the Public Service.

The programme is divided into two sub-programmes, namely: Public Administration Investigations and Professional Ethics.

### 2.2.4.1 Sub-programme: Public Administration Investigations



**Ms Faith Mashikinya**  
*Chief Director*

#### **Purpose**

The main purpose of this sub-programme is to undertake audits and investigations into public administration practices.

#### **Strategic objectives**

The main objectives of the sub-programme are to:

- Investigate public administration practices and make recommendations to departments
- Undertake forensic audits and investigations into public administration practices
- Monitor and evaluate financial misconduct cases and maintain a database.

#### 2.2.4.2 Service delivery objectives and indicators

The PSC is a key role player in the promotion of integrity in the Public Service. It accomplishes this through conducting public administration investigations and producing reports thereon that comprises, *inter alia*, findings, recommendations and directions. The

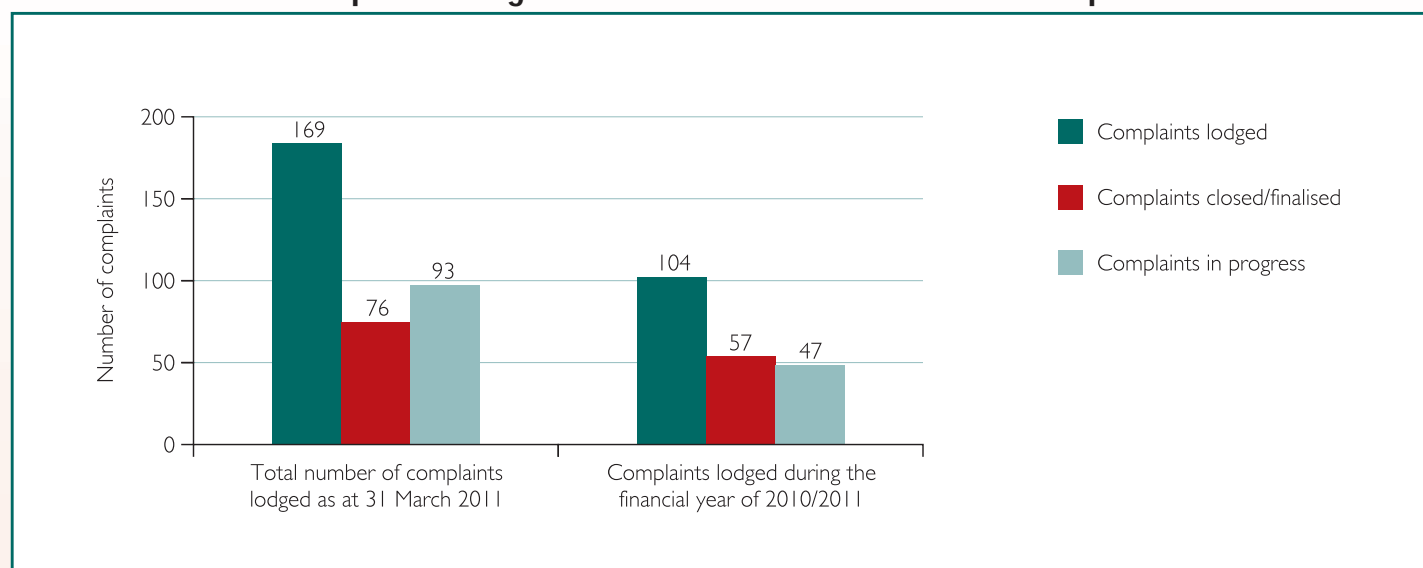
## INFORMATION ON PREDETERMINED OBJECTIVES

recommendations made to either the EAs or HoDs are designed to enhance public administration within the Public Service.

The PSC continued to actively pursue the promotion of good governance by conducting investigations into public administration practices. The investigations emanated from complaints lodged with the PSC, and requests from, among others, EAs, public servants and whistle-blowers. The complaints received predominantly related to maladministration, irregularities regarding human resource and procurement practices. Unfortunately, the PSC cannot predict the number of complaints it will receive regarding public administration practices and must frequently reprioritise its work to accommodate priority cases referred to it.

In relation to complaints lodged with the PSC in terms of the Complaints Rules, as at 31 March 2011, a total of 169 complaints/requests for investigations were lodged with the PSC of which 104 were lodged during the 2010/11 financial year. **Chart 5** below provides an overview of the status of these cases lodged with the PSC.

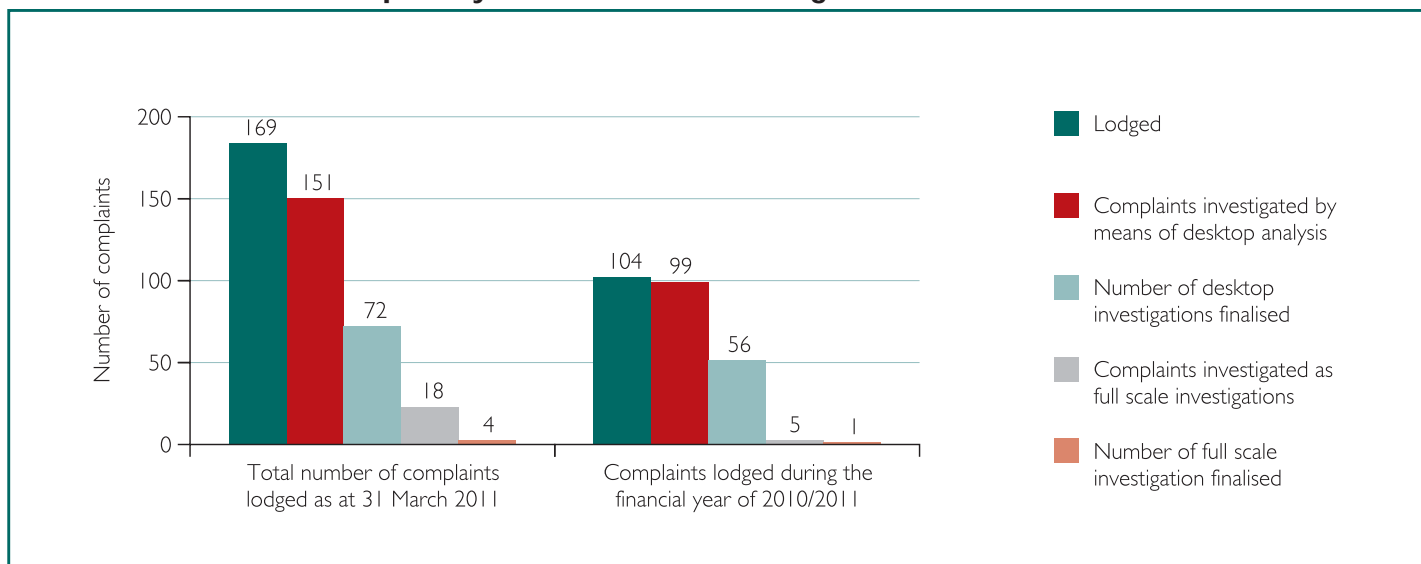
**Chart 5: Status of complaints lodged with the PSC in terms of the Complaints Rules**



In the above figure, a distinction is being drawn between the total number of complaints that were lodged with the PSC, including those that were carried over from the previous financial years and those complaints that were lodged specifically during the 2010/11 financial year. The above figure indicates that of the 169 complaints lodged as at 31 March 2011, 76 (45%) cases have been closed/finalised, and where applicable, findings and recommendations were provided to departments. Ninety three (55%) cases were still in progress as a result of outstanding documents requested from departments. Of the 104 cases lodged during the 2010/11 financial year, 57 (54.8%) cases have been closed/finalised and 47 (45.2%) cases are still pending due to outstanding documentation from departments.

Certain cases require more in-depth investigations (full scale investigations) whilst others are investigated by means of a desktop analysis of the documentation available. The decision to conduct a full scale investigation depends on criteria such as the seriousness of the allegation, the financial implications, the nature of the allegations, the fact that the allegations pertain to senior positions as well as capacity. **Chart 6** on the following page provides an overview of the number of cases investigated as full scale investigations or desktop analyses.

**Chart 6: Status of desktop analysis vs full scale investigations**



Of the 169 complaints lodged with the PSC, 151 (89,3%) were investigated by means of a desktop analysis whilst 18 (10,7%) were handled as full scale investigations. Of the 151 desktop analyses, 72 (47,7%) have been closed/ finalised whilst 4 (22,2%) of the 18 full scale investigations have been finalised.

**Tables 3 and 4** below reflect the names of the departments and the nature of the 18 full scale investigations.

**Table 3: Details of full scale investigations in progress during the 2010/11 financial year**

Sector	Institution	Summary of complaint
National	Arts and Culture	Allegation regarding an irregular awarding of a R5 million contract
	Home Affairs	Allegations regarding an irregular appointment and corruption at Government Printing Works
	Public Works	Various allegations of irregularity pertaining to filling of posts, awarding of contracts, disposal of land and travelling abroad
	Sport and Recreation South Africa	Allegations regarding nepotism and favouritism and the irregular filling of posts
	Water Affairs, Forestry and Fisheries	Allegations pertaining to irregular subsistence and travelling claims made by an official
Eastern Cape	Transport	Allegations regarding appointment irregularities
Gauteng	Housing	Allegations pertaining to irregular human resource practices, maladministration and corruption
KwaZulu-Natal	Agriculture, Environmental Affairs and Rural Development	Allegations pertaining to victimisation
	Arts, Culture, Sport and Recreation	Allegations of unethical behaviour
	Economic Development	Allegations of corruption and appointment irregularities
	Education	Allegations of nepotism and irregularities within human resource practices

## INFORMATION ON PREDETERMINED OBJECTIVES

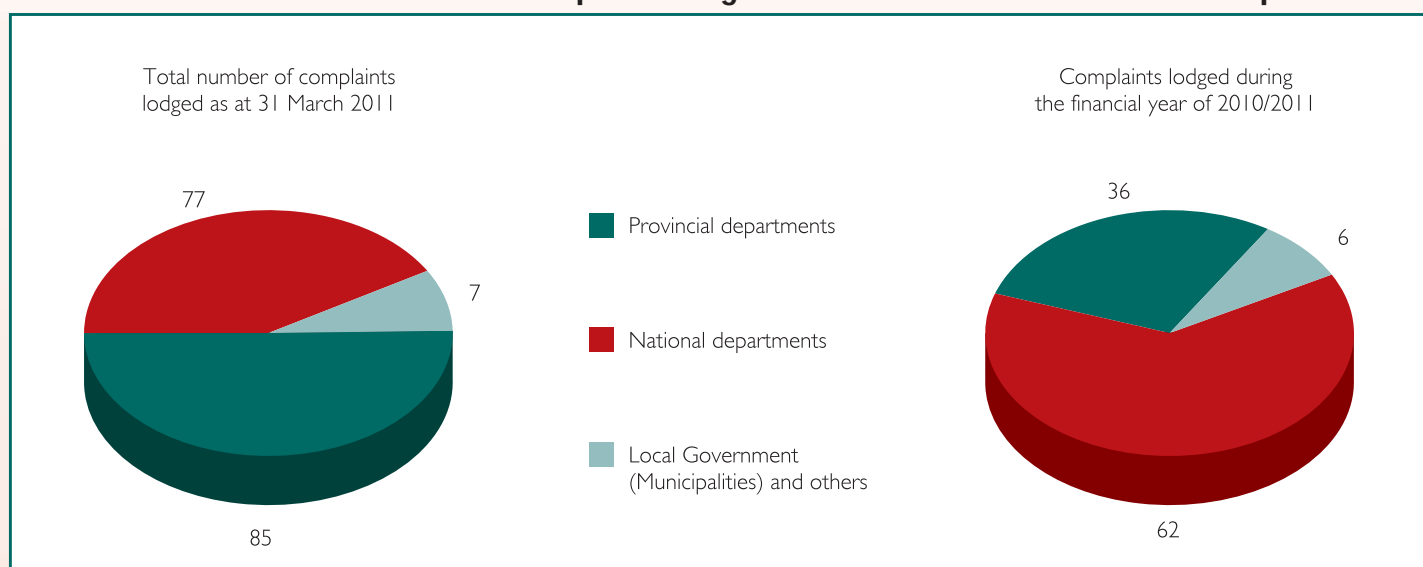
Sector	Institution	Summary of complaint
	Social Development	Allegations of the misuse of departmental assets and a conflict of interest of Supply Chain Management staff and contractors
Limpopo	Sports, Arts and Culture	Allegations of maladministration which includes a disciplinary matter
North West	Human Settlements	Allegations of nepotism

**Table 4: Details of full scale investigations finalised during the 2010/11 financial year**

Sector	Institution	Summary of complaint
National	South African Police Service	Allegations regarding irregular procurement practices
Eastern Cape	Health	Complaint regarding maladministration and malpractice in the Eastern Cape public hospitals
Gauteng	Health	Allegations regarding irregular employment and labour relations practices
		Allegations of malpractice at the Fostateng Wards of the Johannesburg Hospital

Complaints lodged with the PSC in terms of the Complaints Rules primarily involve three sectors, namely, departments at national level, provincial level and local government (municipalities). The involvement of these sectors is indicated in **Chart 7** below.

**Chart 7: The sectors involved in the complaints lodged with the PSC in terms of the Complaints Rules**



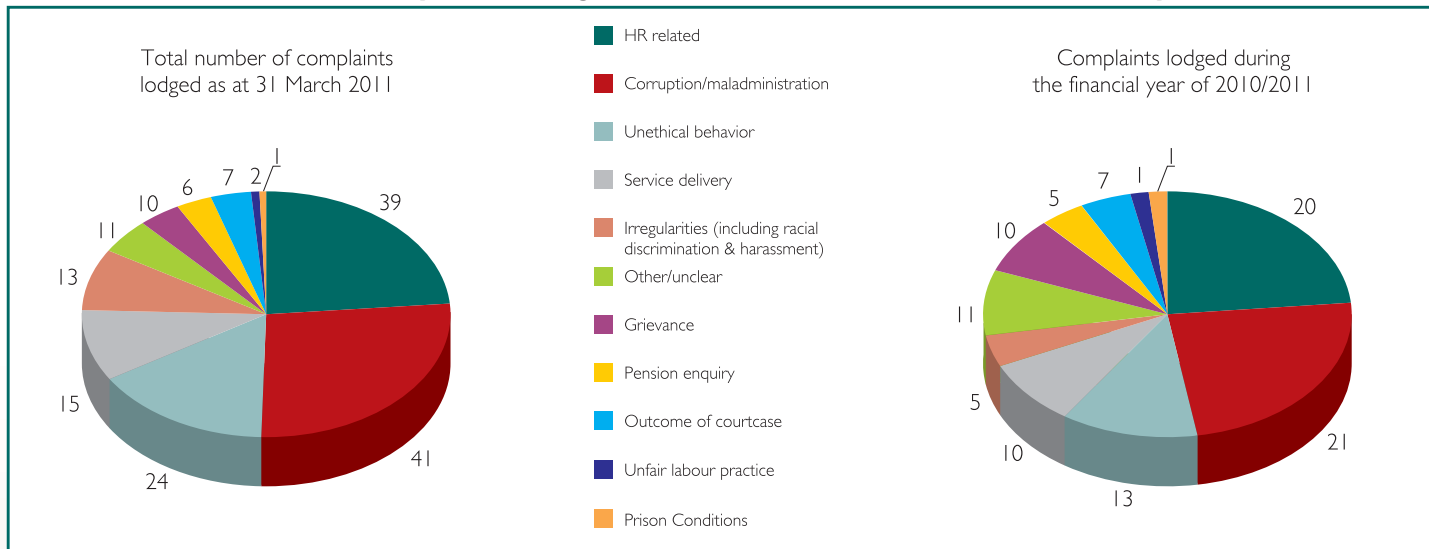
Of the 169 complaints lodged with the PSC as at 31 March 2011, 77 (45,6%) were in respect of national departments whilst 85 (50,3%) were in respect of provincial departments and 7 (4,1%) were in respect of the municipalities.

With regard to the cases lodged with the PSC during the 2010/2011 financial year, 62 (59,6%) complaints related to the national departments whilst 36 (34,6%) and 6 (5,8%) related to provincial departments and municipalities respectively.

**Chart 8** on the following page shows the nature of complaints lodged with the PSC. Of the 169 complaints lodged

with the PSC, 39 (23,1%) were human resource related, 41 (24,3%) represented corruption/maladministration and 24 (14,2%) were related to unethical behaviour of departmental staff. Together these complaints represent 61,5% of the complaints lodged with the PSC. The complaints lodged during the 2010/2011 financial year exhibited a similar pattern as indicated in chart below.

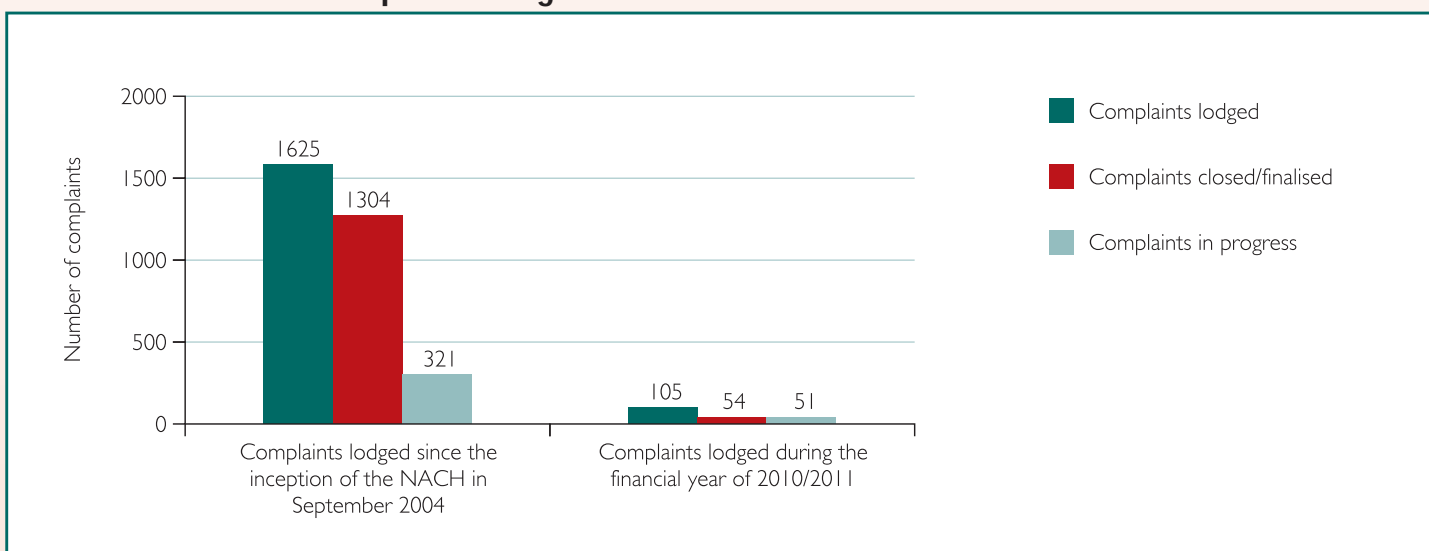
**Chart 8: The nature of complaints lodged with the PSC in terms of the Complaints Rules**



*Complaints lodged with the PSC in terms of the NACH*

Since the inception of the NACH in September 2004, 1 625 service delivery cases were lodged. Of the 1 625 service delivery cases lodged, 41 cases related to corruption/maladministration and unethical behaviour (e.g. filing of posts where there are allegations of nepotism and favouritism and unacceptable conduct of staff such as abuse of state vehicles). **Chart 9** below provides an overview of the status of these cases lodged with the NACH.

**Chart 9: Number of complaints lodged with the PSC in terms of the NACH**



The above chart indicates that of the 1 625 service delivery complaints lodged with the NACH since its inception, 1 304 (80,2%) cases have been closed/finalised, and where applicable, findings and recommendations were provided to departments. As a result of outstanding documents requested from departments in order to finalise

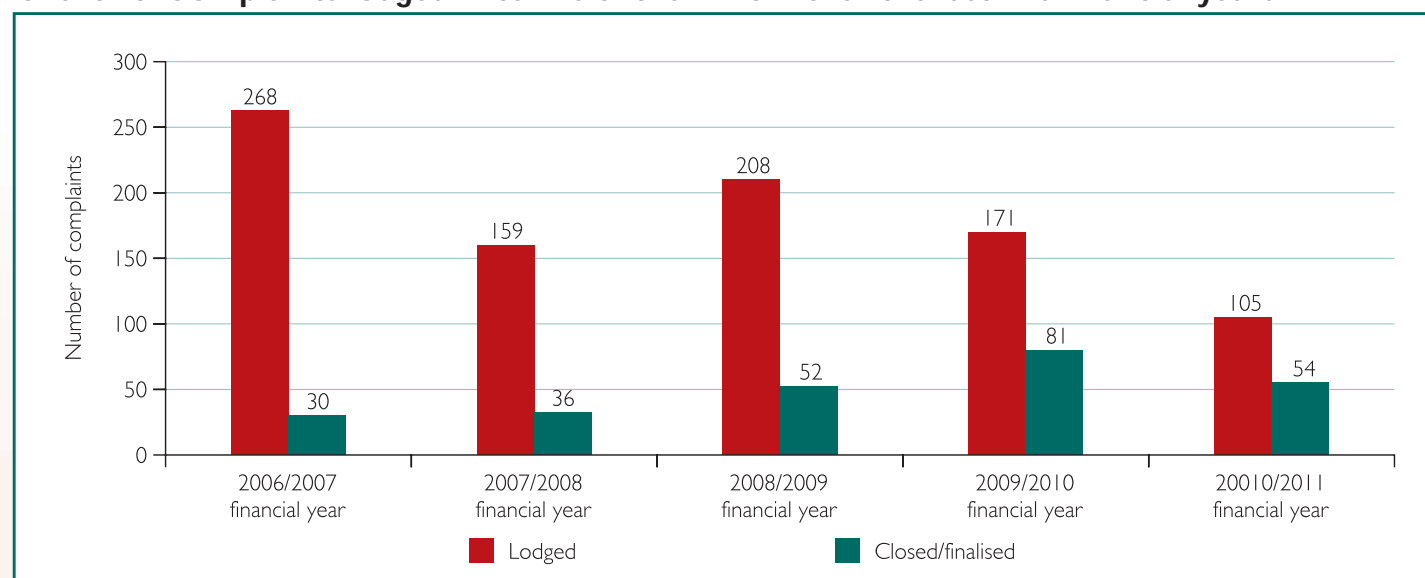
## INFORMATION ON PREDETERMINED OBJECTIVES

the investigation, 321 (19,8%) cases were still pending. Departments have been required to provide feedback on the progress and outcome of the cases referred to them to enable the PSC to conduct an analysis and pronounce on its findings and make recommendations.

During the period under review, 105 cases were lodged with the NACH of which 54 (51,4%) cases were closed/finalised and 51 (48,6%) cases were still pending. An additional 344 cases were closed/finalised that were carried over from previous financial years.

The number of complaints lodged with the NACH has decreased over the past three financial years, that is, from the 2008/09 financial year, as seen in **Chart 10** below. This reduction may be attributed to the inception of the Presidential Hotline which created a further mechanism through which complaints affecting the Public Service could be lodged.

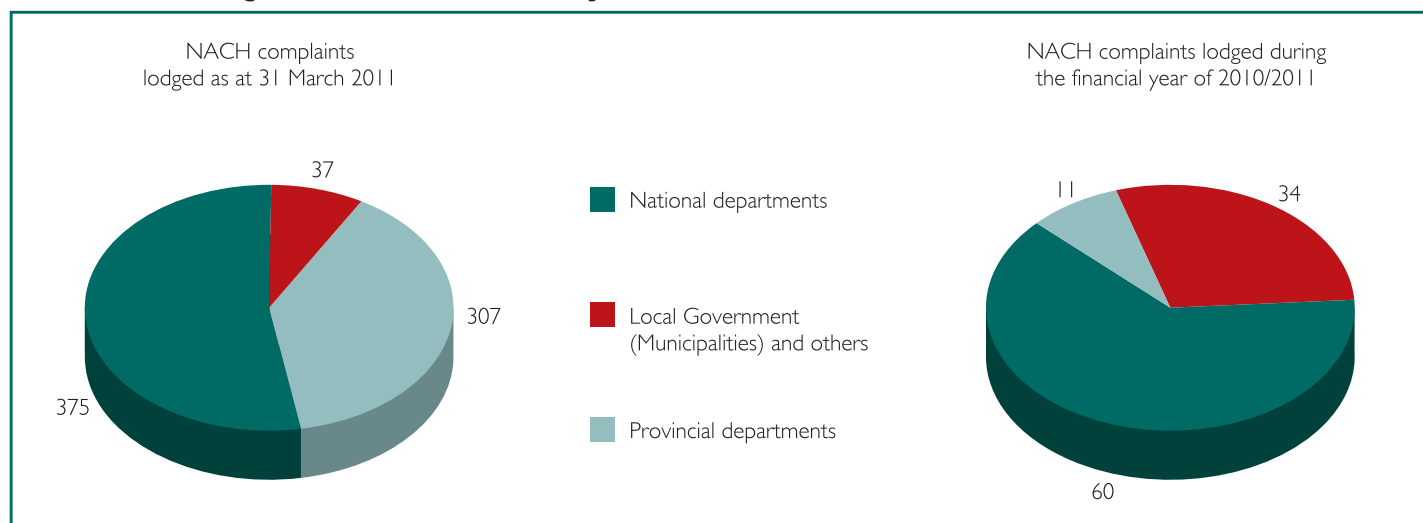
**Chart 10: Complaints lodged in terms of the NACH over the last five financial years**



In the 2006/07 financial year, only 11,2% of complaints could be closed/finalised as a result of poor responses by departments in providing the PSC with the documentation as requested. This figure has increased to 51,4% in the 2010/11 financial year as a result of the review of business practices to enhance the process of data collection from departments.

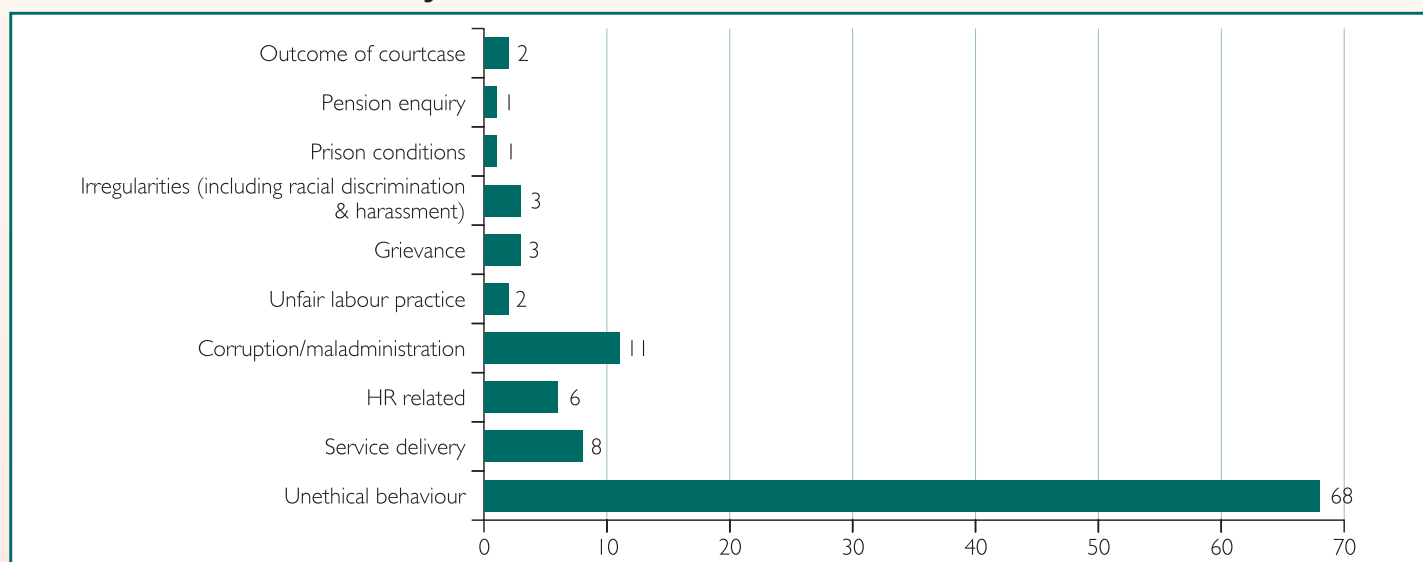
As at 31 March 2011, complaints lodged with the NACH involved more national departments than provincial departments or local government. Out of the 719 complaints lodged, 375 (52,2%) complaints involved national departments. As indicated in **Chart 11** on the following page, municipalities were involved in 37 (5,1%) of the complaints lodged with the NACH. Provincial departments were involved in 307 (42,7%) of the complaints lodged.

**Chart 11: The sectors involved in the complaints lodged with the PSC in terms of the NACH during the 2010/11 financial year**



The nature of complaints lodged with the NACH during the 2010/2011 financial year is dominated by complaints related to the unethical behaviour of staff. As indicated in **Chart 12** below, 68 (64,8%) of complaints related to unethical behaviour, whilst 11 (10,5%) were corruption/maladministration related and 8 (7,6%) were in respect of poor service delivery. These three represented 78,1% of the complaints lodged with the NACH.

**Chart 12: The nature of complaints lodged with the PSC in terms of the NACH during the 2010/11 financial year**



In addition to investigations, two research reports focusing on public administration practices were produced, namely *A Trends Analysis Report on Complaints Lodged with the PSC* as well as *an Overview of Financial Misconduct in the Public Service during the 2009/10 financial year*. The aim of the Trends Analysis Report was to provide a synopsis of the number of complaints lodged during the 2009/10 financial year, their origin, nature and status. The Report on the Overview of Financial Misconduct for the 2009/10 financial year on the other hand, provides information on finalised financial misconduct cases reported to the PSC in terms of the Public Finance Management Act, 1999, and illustrates new trends in financial misconduct emerging within the Public Service.

## INFORMATION ON PREDETERMINED OBJECTIVES

Sub-programme: Public Administration Investigations				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
<p>Investigations conducted of complaints lodged and requests emanating from:</p> <ul style="list-style-type: none"> <li>The Commission (proactively)</li> <li>Legislatures</li> <li>Executing Authorities</li> <li>Public servants</li> <li>Anonymous complaints/whistle-blowing; e.g. National Anti-Corruption Hotline</li> </ul>	<p>Reports with findings and recommendations</p> <p>Best practices identified</p>	March 2011	<p>A. Complaints Rules cases:</p> <ul style="list-style-type: none"> <li>As at 31 March 2011, 169 complaints were lodged with the PSC of which 65 cases were carried over from the previous financial years and 104 were lodged during the 2010/11 financial year</li> <li>Of the 169 complaints lodged, 76 were finalised during the 2010/11 financial year. 93 cases were still in progress of which 55 cases were referred to departments</li> </ul> <p>Full scale investigations:</p> <ul style="list-style-type: none"> <li>Of the 169 complaints lodged, 18 were full scale investigations of which 4 were finalised during the 2010/11 financial year. 14 full scale investigations were still in progress</li> </ul> <p>Desktop investigations:</p> <ul style="list-style-type: none"> <li>Of the 169 complaints lodged, 151 were desktop investigations of which 72 were finalised during the 2010/11 financial year. 79 desktop investigations were still in progress</li> </ul> <p>B. NACH cases (not corruption related):</p>	Target met



Sub-programme: Public Administration Investigations

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
			<ul style="list-style-type: none"> <li>As at 31 March 2011, 719 NACH cases were lodged with the PSC of which 614 were carried over from the previous financial years and 105 were lodged during the 2010/11 financial year</li> <li>Of the 719 NACH complaints lodged, 398 were finalised during the 2010/11 financial year whilst 321 were still in progress of which 256 cases were referred to departments</li> </ul> <p>Since the inception of the NACH in September 2004, 1 625 complaints were lodged of which 1 304 were finalised and 321 were still in progress</p>	
Report on financial misconduct for the 2009/2010 financial year produced	Report with recommendations	February 2011	Draft Report was compiled in March 2011	Delays in the timely finalisation of the Report was due to additional research that needed to be undertaken to strengthen the report
Trends analysis on complaints lodged with the PSC during the 2009/2010 financial year produced	Report with recommendations	February 2011	Report was approved by the PSC in March 2011	Delays in the timely finalisation of the Report was due to additional research that needed to be undertaken to strengthen the report

## INFORMATION ON PREDETERMINED OBJECTIVES

### 2.2.4.3 Sub-programme: Professional Ethics



#### Purpose

The main aim of this sub-programme is to promote professional ethics and integrity and prevent and combat corruption in the Public Service.

#### Strategic objectives

The main objectives of the sub-programme are to:

- Research and evaluate professional ethics and corruption prevention
- Monitor and raise awareness of conflict of interest issues among managers and manage the Financial Disclosure Framework (FDF)
- Manage the NACH for the Public Service.

### 2.2.4.4 Service delivery objectives and indicators

The current South African administration has heightened its efforts to fight corruption in the Public Service. Key to its efforts is to ensure that the integrity of senior managers and that of the departments they lead must be beyond reproach. To this end, the implementation

of a FDF (the Framework) in the Public Service has been central. In its effort to fight corruption in the Public Service, the PSC has generated and piloted the Integrity Barometer Instrument which is aimed at assessing departments' ability to comply with the basics of anti-corruption. Furthermore, the PSC continued to promote professional ethics and behaviour in the Public Service through its management of the NACH and the Disclosure Framework, whereby the management of conflicts of interest is ensured.

During the period under review, the PSC assessed the state of professional ethics in the North West province as part of its approach to evaluate the state of professional ethics in the Public Service. To date, the PSC has assessed the state of professional ethics in Limpopo, Western Cape and KwaZulu-Natal. The assessment of the state of professional ethics is determined by a set of indicators which guide the approach for assessing the effectiveness of the provincial government in fighting and combating corruption. The set of indicators which are key to the assessment range from workshops on the Code of Conduct, adherence to the FDF, the promotion of the National Anti-Corruption Hotline to the implementation of a whistle-blowing policy and the promotion of the Public Service Regulations. It is hoped that if properly implemented, such indicators would provide the bed-rock for effective and sustainable service delivery.

In an effort to promote professional ethics in the Public Service, the PSC jointly with the University of Pretoria hosted the 2<sup>nd</sup> Roundtable on Professional Ethics. The theme of the Roundtable was: *Living Ethics*. The Roundtable centred on professional ethics and behaviour in the Public Service, anti-corruption strategies such as whistle-blowing, the role of leadership in the promotion of ethical behaviour and the management of conflict of interest in the Public Service.

The PSC also continued with its role of the management of the FDF in the Public Service. To manage potential conflicts of interest in the Public Service, government had introduced financial disclosure regulations. Financial disclosure regulations set obligations on senior public officials to disclose

their registrable interest and such regulations are aimed at preventing conflicts of interest. The FDF requires all members of the SMS in the Public Service to disclose all their registrable interests annually to their respective Executive Authorities by 30<sup>th</sup> April of each year. The EAs in turn, are required to submit copies of the financial disclosure forms to the PSC by 31 May of each year.

The number of financial disclosure forms received and outstanding for the 2009/10 financial year is reflected in **Table 5** below.

**Table 5: Number of Financial Disclosure Forms received for the 2009/10 financial year**

National Department/ Province	No of SMS members	No of forms received	No of forms outstanding	Percentage received
National Departments	4 862	4 113	749	85%
Eastern Cape	601	515	86	86%
Free State	307	267	40	87%
Gauteng	724	682	42	94%
KwaZulu-Natal	556	506	50	91%
Limpopo	447	438	9	98%
Mpumalanga	319	305	14	96%
Northern Cape	203	199	4	98%
North West	280	250	30	89%
Western Cape	312	312	0	100%
<b>OVERALL PROVINCIAL SUBMISSION</b>	<b>3 749</b>	<b>3 474</b>	<b>275</b>	<b>92%</b>
<b>COUNTRY TOTAL</b>	<b>8 611</b>	<b>7 587</b>	<b>1 024</b>	<b>88%</b>

The above table shows that as at 31 March 2011, 88% of all disclosure were received and there were 1 024 (12%) forms outstanding from provincial and national departments. The compliance rate was 92% for provinces and 85% for national departments.

The PSC has since 2003 been tasked by Cabinet to manage the NACH. In so doing the PSC is responsible for the timeous and accurate referral of cases of alleged corruption to national and provincial departments, analysing feedback and capturing it on the Case Management System (CSM) of the NACH. **Table 6** on the following page shows the number of alleged corruption cases reported to the NACH, cases referred to the respective departments, feedback received and the cases closed.

## INFORMATION ON PREDETERMINED OBJECTIVES

**Table 6: Breakdown of cases of alleged corruption logged on the CMS as at 31 March 2011**

Cases referred to Departments	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	TOTAL
Provincial Departments	390	498	566	747	868	744	542	4 355
National Departments	207	540	542	653	877	612	512	3 943
Public Bodies	3	8	19	69	112	74	63	348
<b>TOTAL</b>	<b>600</b>	<b>1 046</b>	<b>1 127</b>	<b>1 469</b>	<b>1 857</b>	<b>1 430</b>	<b>1 117</b>	<b>8 646</b>
Feedback received	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	TOTAL
Provincial Departments	317	263	315	338	279	213	16	1 741
National Departments	114	179	271	390	363	133	14	1 464
Public Bodies	3	11	7	8	9	2	4	44
<b>TOTAL</b>	<b>434</b>	<b>453</b>	<b>593</b>	<b>736</b>	<b>651</b>	<b>348</b>	<b>34</b>	<b>3 249</b>
Cases closed	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	TOTAL
Provincial Departments	104	122	125	215	171	151	13	901
National Departments	59	132	156	241	268	119	13	988
Public Bodies	1	3	3	3	4	2	2	18
<b>TOTAL</b>	<b>164</b>	<b>257</b>	<b>284</b>	<b>459</b>	<b>443</b>	<b>272</b>	<b>28</b>	<b>1 907</b>

Since the inception of the NACH, a total of eight thousand six hundred and forty six (8 646) cases have been referred to national and provincial departments and public bodies for further handling. One thousand nine hundred and seven (1 907) cases were closed on the CMS after investigations were finalised by the departments. A total of nine hundred and eighty eight (988) cases were closed on the CMS in respect of national departments and nine hundred and one (901) cases in respect of provincial departments. Furthermore, twenty eight (28) cases relating to public bodies were closed on the CMS.

A total of 1 499 officials were charged with misconduct for corrupt activities. At the provincial level a total of 685 officials were charged with misconduct for corrupt activities whilst 814 officials were charged with misconduct for corrupt activities at national departments. These figures showed that the NACH has since its inception contributed to reducing the levels of corruption in the Public Service. The successful investigation of cases of alleged corruption reported to the NACH has resulted in the recovery of R110 million from perpetrators by various departments. The slow rate of providing feedback to the PSC and the actual finalisation of the cases is an indication of the lack of investigation capacity within the departments, which seem to be a general challenge in the Public Service.

**Sub-programme: Professional Ethics**

Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Management of Asset Register  • Financial disclosure forms scrutinised for conflict of interest	Advice provided to Executive Authorities	March 2011	640 (8%) of the targeted sample disclosure forms were scrutinised by the end of the financial year	Delays in the timely finalisation of the scrutiny was as a result of capacity constraints
• Compliance with the Financial Disclosure Framework assessed	Fact sheet produced	September 2010	Fact sheet was finalised by the OPSC in September 2010 and approved by the PSC in October 2010	Target met
Concept document on lifestyle audits produced	Concept document developed	December 2010	Concept document was not finalised by the end of the financial year	Delays in the timely finalisation of the concept document was as a result of a lack of good practice examples
Overview of the implementation of Financial Disclosure Framework conducted	Report with recommendations	March 2011	Report was not finalised by the end of the financial year	Delays in the timely finalisation of the Report was due to the lack of capacity to scrutinise the disclosure forms, which will inform the contents of the Report
A comparative study between South Africa and selected Southern African Development Community (SADC) countries on the management of conflicts of interest through financial disclosures conducted (project dependent on donor funding)	Report with recommendations	March 2011	Project was deferred to the 2011/12 financial year	The PSC approved in December 2010 that the project be deferred to the 2011/12 financial year due to the lack of funding
National Anti-Corruption Hotline managed  • Cases referred to departments and monitored	Case referral system in place	March 2011	1 117 cases of alleged corruption were referred to departments for investigation and monitoring	Target met
• Feedback assessed and investigated	Report with findings and recommendations	March 2011	Desktop investigations were done and feedback assessed on 380 cases	Target met

## INFORMATION ON PREDETERMINED OBJECTIVES

Sub-programme: Professional Ethics				
Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
			<p>359 cases were closed on the Case Management System after investigation</p> <p>128 cases were closed by the PSC on the Case Management System due to the lack of information</p>	
<ul style="list-style-type: none"> <li>• <i>Ad hoc</i> investigations conducted</li> </ul>	Report with findings and recommendations	March 2011	2 <i>ad hoc</i> investigations were conducted and the draft Reports of the investigations were compiled in November 2010 and March 2011, respectively	Delays in the timely finalisation of the Report was due to the failure by departments to submit the relevant information timeously
<ul style="list-style-type: none"> <li>• Workshops conducted to enhance department's capacity to investigate NACH cases</li> </ul>	Workshops conducted	March 2010	5 workshops were held	Target met
<ul style="list-style-type: none"> <li>• Fact sheet on the management of NACH cases</li> </ul>	Fact sheet produced	August 2010	Fact sheet was approved by the PSC in September 2010	Delays in the timely finalisation of the Fact sheet was due to the failure by departments to submit the relevant information timeously
<ul style="list-style-type: none"> <li>• NACH promoted</li> </ul>	Increase use of NACH	March 2011	<p>50 000 NACH brochures were produced in June 2010</p> <p>Brochures were distributed during the International Anti-Corruption Day</p> <p>100 000 license discs were produced in partnership with the United Nations Office on Drugs and Crime. These were distributed to various departments, provinces, agencies and other stakeholders</p>	Target met

**Sub-programme: Professional Ethics**

Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
			The above measures contributed to the increased usage of the NACH	
Biennial assessment of the effectiveness of the NACH conducted	Report with recommendations	March 2011	Report was compiled in March 2011	Delays in the timely finalisation of the Report was as a result of capacity constraints
Web-enabled NACH system rolled out	Web-enabled NACH system launched	March 2011	New service provider was appointed in December 2010 and the Service Level Agreement was signed in January 2011	Delays in the launch of the web-enabled system was as a result of the Service Level Agreement only been approved in January 2011
Profiling and analysis of the most common manifestations of corruption and its related risks in the Public Service	Report with recommendations	August 2010	Report was finalised by the OPSC in August 2010 and approved by the PSC in December 2010	Target met
State of integrity in 3 national departments assessed	Report with recommendations	March 2011	Report was not finalised by the end of the final year	Delays in the timely finalisation of the Report was due to the late submission of information by departments
State of professional ethics in the North West Province assessed	Report with recommendations	March 2011	Report was not finalised by the end of the final year	Delays in the timely finalisation of the Report was as a result of capacity constraints
Secretariat support provided to the National Anti-Corruption Forum (NACF)	Minutes of meetings approved	March 2011	1 NACF and 1 EXCO meeting was held and minutes of the meetings were approved	Target met
Projects of the National Anti-Corruption Programme (NACP) co-ordinated	Report with recommendations	March 2011	Draft Report on the National Integrity System was submitted to NACF EXCO for consideration in March 2011	The Report could not be finalised timeously as the OPSC was awaiting inputs from EXCO members

## INFORMATION ON PREDETERMINED OBJECTIVES

Sub-programme: Professional Ethics				
Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Ethics awareness in the Public Service intensified and Code of Conduct promoted	Promotional material produced  Workshops conducted	March 2011	<p>Workshops were conducted on the Code of Conduct at Statistics South Africa, National Treasury in April 2010</p> <p>Workshop on the Code of Conduct and anti-corruption initiatives was held at National Treasury in December 2010</p> <p>Workshops were held within the OPSC in February 2011</p> <p>International Anti-Corruption Day was celebrated in December 2010</p> <p>Workshop was held on the Provincial Anti-Corruption Forum in the North West in March 2011</p> <p>Roundtable on Ethics in Public Life in partnership with the University of Pretoria, was held in March 2011</p>	Target partially met as the promotional material could not be produced due to budgetary constraints



# CHAPTER 3

## Annual Financial Statements

# ANNUAL FINANCIAL STATEMENTS

## Annual Financial Statements for the year ended 31 March 2011

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## 3.1 REPORT BY THE AUDIT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2011

### 3.1.1 INTRODUCTION

We are pleased to present our report for the financial year ended 31 March 2011 in terms of the Public Finance Management Act, 1 of 1999 section 38 (1) a, 76 (4)d and 77, and Treasury regulations 3.1.11.

### 3.1.2 AUDIT COMMITTEE MEMBERSHIP AND ATTENDANCE:

The Audit Committee consists of the members listed below, who are independent members, which is in line with the industry corporate governance practice. The Committee held 5 meetings for the year under review:

NAME	NO. OF MEETINGS ATTENDED
Ms. Thembisa Fuzani (Chairperson)	5
Ms. Linky Fosu	3
Mr. Paul Streng	5

### 3.1.3 AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee confirms that it has complied with its responsibilities arising from section 38(1) (a) of the Public Financial Management Act (PFMA) and Treasury Regulation 3.1.13.

In line with the approved terms of reference, the Audit Committee has regulated its affairs in compliance thereof and has discharged all its responsibilities as contained therein. The Audit Committee charter is reviewed on an annual basis.

### 3.1.4 THE EFFECTIVENESS OF INTERNAL CONTROL

The review of the effectiveness of the system of internal control by the Audit Committee is informed by the

reports submitted by Internal Audit and management, who are responsible for the development and maintenance of the internal control system. The quality of reports submitted by Internal Audit and management has facilitated an effective oversight role by the Audit Committee.

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. The Committee would like to highlight that the improved risk management reporting system has enabled the committee to fully discharge its risk management oversight function.

From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the management letter of the Auditor-General, we take note of the financial management control deficiencies raised by the Auditor-General.

#### Risk Management

The OPSC has a robust risk governance structure that incorporates a Fraud Prevention and Risk Management Committee, which is chaired by the Chief Financial Officer. All significant risk issues are escalated to the Audit Committee and risk mitigation actions subsequently monitored. The risk management strategy is reviewed and approved annually.

The OPSC risk profile is monitored on an on-going basis in terms of its internal risk management processes.

## ANNUAL FINANCIAL STATEMENTS

Further, risk management, compliance and whistle blowing reports are permanent subjects on the Audit Committee agenda. The Fraud Prevention Plan was reviewed and approved during the 2011 financial year.

To facilitate effective compliance monitoring, a regulatory universe was developed for subsequent compliance and monitoring through the internal audit process.

### 3.1.5 THE QUALITY OF MANAGEMENT QUARTERLY REPORTS SUBMITTED IN TERMS OF THE PFMA


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

### 3.1.6 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 and the Accounting Officer;
- reviewed the Auditor-General's management report and management's response thereto; and
- reviewed significant adjustments resulting from the audit.

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



**CHAIRPERSON OF THE AUDIT COMMITTEE**

29 July 2011

## 3.2 REPORT OF THE ACCOUNTING OFFICER FOR THE YEAR ENDED 31 MARCH 2011

Report by the Accounting Officer to the Executive Authority and Parliament/Provincial Legislature of the Republic of South Africa.

### 3.2.1 GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

#### 3.2.1.1 Important policy decisions and strategic issues facing the department

The PSC is the only government body empowered and mandated independently to oversee and evaluate the functioning of the Public Service, with a view to establish good governance and best practice principles. As a custodian of good governance established by the Constitution, the PSC provides Parliament and the Legislatures with an independent perspective on the performance of the Public Service and also provides the Executive with advice on good administrative practice.

The implementation of the framework for the evaluation of HoDs remains critical following the signing of performance agreements between the President and Ministers. Furthermore, the PSC is participating in a Task Team that reviews the performance management process for Accounting Officers (AO). The review will result in a new framework for managing the performance of AOs. The new framework will also link the performance of individual AO and that of their departments and ensure full compliance in the evaluation of Heads of Departments.

The PSC also contributes towards the amicable resolution of grievances and generates trends on grievance management within the Public Service. Since 2007, when the PSC forwarded the proposed amendments to the Grievance Rules published in Government Gazette No 25209 of 25 July 2003, the PSCBC has not had an opportunity to discuss the

proposals due to other urgent business activities of the Council. However, the PSC continues to lobby the Department of Public Service and Administration for these proposals to be discussed at the PSCBC so that they can be in line with the Rules for dealing with grievances of SMS members which came into effect in September 2010.

The PSC continues to improve governance and service delivery by monitoring and evaluating the implementation of the principles governing public administration through its Transversal Public Service M&E system. The system will be comprehensively reviewed to place more emphasis on service delivery outcomes as opposed to good administrative practice only.

In light of the government's new outcomes approach, it would be imperative for the PSC to deepen its studies on citizen satisfaction surveys. The findings of these surveys, together with those of the inspections of service delivery sites, would help the government to gauge its progress towards ensuring a better life for all regardless of their socio-economic and geo-political standing in society.

The PSC has implemented a web application system to replace the paper based approach applied for the NACH. This system will ensure seamless and paperless environment as well as maximising control and efficiency.

#### 3.2.1.2 Significant events that have taken place during the year

The 2010/11 financial year was challenging as the PSC had to reposition itself to be more responsive to the priorities of government therefore ensuring that its work remains relevant to the Public Service. The PSC jointly with the PSCBC hosted the 2<sup>nd</sup> Biennial Labour Relations Conference in March 2011. The conference

# ANNUAL FINANCIAL STATEMENTS

brought together all people in the public sector, as well as stakeholders from the private sector and civil society who are involved in training and development.

In trying to inculcate a culture of integrity in the Public Service, the PSC continued to implement the FDF for senior managers by managing the potential conflicts between the private interests of senior managers and their official responsibilities. Although there has been a steady increase in the compliance rate to the FDF, the PSC still remains of the firm view that only a 100% compliance rate would be acceptable.

During the reporting period, the PSC continued to experience capacity challenges. The PSC bid farewell to its Chairperson, Dr Ralph Mgiijima, during the last quarter of the reporting period and the Commissioner based in the Western Cape, Dr Woods also resigned. The Commission also suffered the untimely deaths of Commissioners Matsomela and Malahlela, with the latter serving as convener of the M&E Specialist Team. Furthermore, the Commissioner position in the North West remained unfilled. To mitigate the impact of these events on service delivery, the Deputy Chairperson continued with the responsibilities of the Chairperson whilst Commissioner Mthembu was appointed convener of the M&E, and Commissioners Marias-Martin and Helepi assisted in carrying out the PSC's mandate in the North West and Western Cape, respectively.

### 3.2.1.3 Major projects undertaken or completed during the year

The following are some of the major projects undertaken by the PSC during the reporting period:

- State of the Public Service Report 2010
- Profiling and Analysis of the most Common Manifestations of Corruption and its Related Risks in the Public Service
- Overview of the Implementation of the Financial Disclosure Framework: Financial Year 2008/2009
- Consolidated Monitoring and Evaluation Report on the Departments of Housing (Human

Settlements) Evaluation Cycle 2009/2010

- 7<sup>th</sup> Consolidated Public Service Monitoring and Evaluation Report: Evaluation Cycle 2009/2010

### 3.2.1.4 Spending trends

The total expenditure for the 2010/11 financial year, excluding local and foreign aid assistance, amounted to R134 024 000, representing 99,6% of the total appropriation. The under expenditure of R571 000 was therefore 0,4% of the total budget. This comprises mainly savings from vacant posts.

The main Estimates of National Expenditure provided for the appropriation of an amount of R133 766 000 and this was increased by R829 000 in the adjustment Estimate to bring the total amount voted to R134 595 000. This represented an increase of 2,5% compared with the previous financial year. The main increase was attributable to the salary increase adjustments.

### 3.2.1.5 Impact on programmes and service delivery

Spending during the first three quarters of the reporting period was below the norm, largely as a result of delayed implementation of projects. Data collection and on site investigations were delayed by the extended Public Service strike and subsequent unavailability of stakeholders within departments. In other instances data collection was hampered by the poor or lack of responses by departments. In the last quarter, spending evened out as most projects were being finalised. Service delivery was also hampered by the vacancies in the PSC and at SMS level.

### 3.2.1.6 Actions taken or planned to avoid recurrence

The PSC introduced measures in place to do more with less by, amongst others, reducing the number of outputs on its workplan, standardising evaluation frameworks and processes and making maximum use of available staff. However, some of its work needs to be implemented at greater scale. Furthermore, in

order to expedite the finalisation of outputs, the PSC reviewed some of its business processes.

#### 3.2.1.7 Virement

Virement was applied twice during the 2010/11 financial year and approval was granted by the Accounting Officer. The virement applied is explained in detail in the Annual Financial Statements.

### 3.2.2 SERVICE RENDERED BY THE DEPARTMENT

#### 3.2.2.1 Mandate of the PSC

The PSC, as an independent and impartial institution, established by the Constitution, 1996, has been tasked and empowered to, amongst other functions and powers, investigate, monitor and evaluate the organization and administration of the Public Service. The PSC must also promote measures to ensure effective and efficient performance within the Public Service and to promote values and principles of public administration as set out in the Constitution, throughout the Public Service.

The PSC comprises 14 Commissioners: 5 Pretoria-based Commissioners and one resident Commissioner in each province. The PSC is supported by the OPSC, with its Head Office in Pretoria and one Regional Office in each province. The OPSC is headed by the Director-General.

#### 3.2.2.2 Tariff policy

The PSC does not charge tariffs to departments.

#### 3.2.2.3 Free Services

The PSC does not charge departments for services rendered in terms of its mandate and functions. It provides these services within its allocated budget.

### 3.2.3 CAPACITY CONSTRAINTS

The average growth in the PSC's budget over the past Medium Term Expenditure Framework period is 7.2%. The budget constraints experienced by the PSC have an impact on its human resource capacity which is severely limited. The measures that the PSC has in place to address this matter was to do more with less by, amongst others, reducing the number of outputs on its workplan and making maximum use of available staff.

As the Chairperson of the PSC serves as President of the Association of the African Public Services Commissions (AAPSComs) and the OPSC as secretariat, this has significant financial and human resource implications for the organisation.

### 3.2.4 UTILISATION OF DONOR FUNDS

During the financial year under review, the PSC received an amount of R500 000 from the German International Cooperation (GIZ) for the 2<sup>nd</sup> Biennial Labour Relations Conference held in March 2011.

### 3.2.5 TRADING ENTITIES AND PUBLIC ENTITIES

The PSC does not have any Trading Entities/Public Entities under its control.

### 3.2.6 ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

The PSC has not made any transfer payments to any organisation during the period under review.

### 3.2.7 PUBLIC PRIVATE PARTNERSHIPS (PPP)

The PSC did not enter into any Public Private Partnership during the reporting period.

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## 3.2.8 CORPORATE GOVERNANCE ARRANGEMENTS

The following governance arrangements have been put in place:

### 3.2.8.1 Risk management

The risk management approach entails the identification of strategic and significant operational, reputation and public image, performance, community, employees and financial risks within the PSC. Risk registers are reviewed on a quarterly basis to ensure that risks are identified and managed. During the year under review, the Risk Management Strategy was reviewed, submitted to the Audit Committee for approval and implemented.

### 3.2.8.2 Fraud prevention policies

The PSC's Fraud Prevention Plan was reviewed and approved in 2010. In addition, the Whistle Blowing Guidelines for inclusion in the Fraud Prevention Plan were also developed. Meetings of the Combined Fraud Prevention and Risk Management Committee were held throughout the year.

### 3.2.8.3 Effectiveness of internal audit and audit committee

The PSC has outsourced its internal audit functions to SAB&T. The contract commenced on 1 October 2007 for a period of 36 months to assist the PSC in accomplishing its objectives to evaluate and improve the effectiveness of the organisation's risk management, control, as well as governance processes.

Audit Committee members are appointed for a period of 24 months. Meetings were held on a quarterly basis. The primary purpose of the Committee is to assist the Accounting Officer in fulfilling the oversight responsibility required in terms of the Public Finance Management Act (PFMA), 1999, related Treasury Regulations (TR) and Corporate Governance

best practice. The names of the Audit Committee members are as follows:

Ms T Fuzani (Chairperson)  
Ms L Fosu (Member)  
Mr P Streng (Member)

The Audit Committee met five times during the financial year.

### 3.2.8.4 Other governance structures

The PSC also has other appropriate governance structures to deal with ongoing management issues namely:

#### Public Service Commission Plenary

This is a quarterly meeting of all the Commissioners together with the Executive Management of the OPSC where policy issues are discussed and decisions taken. Furthermore, the strategic plan as well as the annual work plan of the PSC are also considered and approved at such meetings.

#### Executive Committee

The Executive Committee (EXCO) comprises the Chairperson, Deputy Chairperson, Director-General, the Deputy Directors-General, the Pretoria based Commissioners as well as one Regionally based Commissioner on a rotational basis. Meetings are held fortnightly to consider and make operational decisions within the parameters of the policy framework including *ad hoc* projects. These decisions are subsequently tabled at full plenary where all the Commissioners are present.

#### Specialist Teams

The Specialist Teams comprise selected Senior Officials from the OPSC as well as selected Commissioners. These meet on a quarterly basis to consider progress on projects and related issues. Currently, there are



four (4) Specialist Teams, namely:

- Leadership and Management Practices
- Monitoring and Evaluation
- Integrity and Anti-Corruption
- Institution Building and Strategic Operations

### **Executive Management Committee**

This Committee consists of Executive Managers from the OPSC. It meets on a monthly basis to monitor progress on projects and takes management decisions on various issues affecting the OPSC.

### **Management Committee**

This is a Forum comprising Executive and Senior Managers from the OPSC. It meets quarterly to discuss progress on projects in the work plan. The feedback received at the meeting is linked to the feedback in the quarterly reports submitted to National Treasury and the Minister for Public Service and Administration.

### **Management processes**

The Financial Disclosures Framework forms the basis for the management of conflicts of interest in the PSC. Declarations of conflicts of interest are obtained from officials involved in Supply Chain Management and members of various Supply Chain Management Committees.

Over and above the Code of Conduct for Public Servants, the PSC has developed a Code of Ethics and Conduct for its employees, as well as a Code of Conduct for Supply Chain Management Practitioners and other role players.

### **3.2.9 DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED**

No activities were discontinued during the period under review.

### **3.2.10 NEW/PROPOSED ACTIVITIES**

There were no new or proposed activities during the period under review.

### **3.2.11 ASSET MANAGEMENT**

An electronic asset bar-coding system is utilised for proper management of all departmental assets. In order to strengthen asset management and minimise the risk of loss of IT equipment, spot checks are conducted on a monthly basis and a report is presented on a quarterly basis. The PSC has captured all official assets in the asset register and the register complies with the minimum requirements as set by National Treasury.

The Directorate: Financial and Supply Chain Management is responsible for the following asset management functions:

- Ensure the adherence to Asset Management reporting requirements; and
- Ensure that officials are sufficiently trained on Asset Management processes and systems within the PSC.

### **3.2.12 INVENTORIES**

All inventory opening and closing balances, together with movements for the year is reflected in the Annexure on Inventory.

### **3.2.13 EVENTS AFTER THE REPORTING DATE**

No events were reported after the reporting date.

### **3.2.14 INFORMATION ON PREDETERMINED OBJECTIVES**

Performance Information is critical for evaluating performance against objectives. The PSC has clear governance arrangements that ensure rigorous

# ANNUAL FINANCIAL STATEMENTS

monitoring of performance and verification of Performance Information. This is done at Plenary, Executive Committee (EXCO), Management Committee (MANCO) and branch meetings. Processes are also guided by existing protocols and methodical approaches agreed by the PSC. The PSC has also its own protocols, rules and guidelines to ensure a structured and objective approach in the execution of its key performance areas. The protocols and guidelines are listed as follows:

- Rules for Dealing with the Grievances of Employees in the Public Service, July 2003.
- Rules of the Public Service Commission: Lodging of complaints regarding the Public Service, July 2002.
- Protocol Document for Conducting Public Administration Investigations, October 2009.
- Public Service Commission: National Anti-Corruption Hotline Toolkit, 2006.
- Protocol Document for Summoning Witnesses, August 2007.
- Rules for the Summoning of Witnesses.
- Checklist for the Quality Assessment of the Performance Agreements of Heads of Department.
- Public Service Commission: Guidelines for the Evaluation of Heads of Department.
- Protocol for conducting inspections.

## 3.2.15 SCOPA RESOLUTIONS

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
None	None	None

## 3.2.16 PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Expenditure not paid within 30 days of receipt of invoice	2007/08	Internal controls are in place to ensure that invoices are processed within 30 days. Where there is a dispute with regards to the invoice, a memorandum is attached to substantiate or motivate the reason for the late payment. In addition, a weekly report on invoices that have not been processed is submitted to the Director-General for monitoring purposes.

### 3.2.17 EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

No exemption from the PFMA or TR or deviation from the financial reporting requirements were received for the current and/or prior financial year.

### 3.2.18 OTHER

No other material fact or circumstances, which may have an effect on the understanding of the financial state of affairs which is not addressed elsewhere in this report.

### 3.2.19 APPROVAL

The Annual Financial Statements set out on pages 63 to 111 have been approved by the Accounting Officer.



**MJ DIPHOFA**

29 July 2011

# ANNUAL FINANCIAL STATEMENTS

## 3.3 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO.11b: THE PUBLIC SERVICE COMMISSION

### 3.3.1 REPORT ON THE FINANCIAL STATEMENTS

#### Introduction

I have audited the accompanying financial statements of the Public Service Commission (PSC) which comprise the appropriation statement, the statement of financial position as at 31 March 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory information, and the accounting officer's report, as set out on pages 73 to 105.

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

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 the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act, 2009 (Act No. 12 of 2009) (DoRA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor-General's responsibility

As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 40(2) of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), my responsibility

is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. 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.

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 and fair presentation 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the PSC as at 31 March 2011, 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 and DoRA.

### **Additional matters**

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

### **Restatement of corresponding figures**

As disclosed in note 23 to the financial statements, the corresponding figure for 2009-10 has been restated as a result of an error discovered during the 2010-11 financial year in the financial statements of the Public Service Commission at and for the year ended 31 March 2010.

### **Financial reporting framework**

The financial reporting framework prescribed by the National Treasury and applied by the PSC is a compliance framework. Thus my opinion would have reflected that the financial statements had been properly prepared instead of fairly presented as required by section 20(2)(a) of the PAA, which requires me to express an opinion on the fair presentation of the financial statements of the PSC.

### **3.3.2 REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 11 to 58 and material non-compliance with laws and regulations applicable to the department.

### **Predetermined objectives**

There were no material findings on the annual performance report concerning the presentation, usefulness and reliability of the information.

### **3.3.3 COMPLIANCE WITH LAWS AND REGULATIONS**

#### **Annual financial statements, performance and annual report**

The financial statements submitted for audit purposes did not comply with section 40(1)(a) and (b) of the PFMA. Material misstatements relating to commitments, lease commitments, accruals and movable capital assets disclosure notes were identified during the audit and were corrected by management.

#### **Expenditure management**

The accounting officer did not take effective steps to prevent fruitless and wasteful expenditure, as per the requirements of section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1. The accounting officer has investigated the causes of fruitless and wasteful expenditure and took appropriate steps after the detection of fruitless and wasteful expenditure.

Not all payments due to suppliers were settled within 30 days from receipt of an invoice as per the requirement of section 38(1)(f) of the PFMA and Treasury Regulation TR8.2.3.

### **3.3.4 INTERNAL CONTROL**

In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

# ANNUAL FINANCIAL STATEMENTS

## Financial and performance management

Prepared financial reports are not accurate, complete and supported by reliable information and material adjustments were made in the financial statements.

Non-compliance with laws and regulations could have been prevented had compliance with laws and regulations been adequately monitored and reviewed.

### 3.3.5 OTHER REPORTS

#### Performance audits

A performance audit is being conducted on the Readiness of Government to report on its performance. The focus of the audit on how government institutions are guided and assisted to report on their performance, as well as the systems and process that they have put in place. The findings will be reported on in a separate report.

*Auditor General*

**AUDITOR GENERAL**

29 July 2011



AUDITOR - GENERAL  
SOUTH AFRICA

## APPROPRIATION STATEMENT for the year ended 31 March 2011

Appropriation per programme									
	2010/11							2009/10	
	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>1. Administration</b>									
Current payment	67,459	-	675	<b>68,134</b>	67,517	617	99.1%	61,313	60,996
Transfers and subsidies	40	-	545	<b>585</b>	611	(26)	104.4%	10,166	10,244
Payment for capital assets	747	-	1,783	<b>2,530</b>	2,757	(227)	109.0%	990	1,180
<b>2. Leadership and Management Practices</b>									
Current payment	21,305	-	(1,074)	<b>20,231</b>	20,165	66	99.7%	16,359	16,357
Transfers and subsidies	-	-	1	<b>1</b>	1	-	100.0%	-	2
<b>3. Monitoring and Evaluation</b>									
Current payment	21,955	-	(1,264)	<b>20,691</b>	20,608	83	99.6%	19,678	19,677
Transfers and subsidies	-	-	-	<b>-</b>	-	-	-	8	7
<b>4. Integrity and Anti-Corruption</b>									
Current payment	23,089	-	(733)	<b>22,356</b>	22,298	58	99.7%	23,327	23,117
Transfers and subsidies	-	-	67	<b>67</b>	67	-	100.0%	-	209
<b>TOTAL</b>	<b>134,595</b>	<b>-</b>	<b>-</b>	<b>134,595</b>	<b>134,024</b>	<b>571</b>	<b>99.6%</b>	<b>131,841</b>	<b>131,789</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Departmental receipts				224				520	
Aid assistance				500				698	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>135,319</b>				<b>133,059</b>	
<b>Add:</b>									
Aid assistance					186				698
<b>Actual amounts per Statement of Financial Performance (Total Expenditure)</b>					<b>134,210</b>				<b>132,487</b>

Prior period Appropriation Statement has been modified to incorporate the reclassification of expenditure in order to be aligned to the Guidelines on the Economic Reporting Format.

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## APPROPRIATION STATEMENT for the year ended 31 March 2011

Appropriation per programme									
	2010/11							2009/10	
	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	101,455	-	(8,677)	<b>92,778</b>	92,310	468	99.5%	87,579	87,246
Goods and services	32,353	-	6,277	<b>38,630</b>	38,194	436	98.9%	33,087	32,835
Interest and Rent on Land	-	-	4	<b>4</b>	7	(3)	175.0%	11	11
<b>Transfers and subsidies</b>									
Foreign governments and international organisations	40	-	2	<b>42</b>	41	1	97.6%	33	33
Households	-	-	611	<b>611</b>	638	(27)	104.4%	10,141	10,428
<b>Payments for capital assets</b>									
Machinery and equipment	747	-	1,448	<b>2,195</b>	2,422	(227)	110.3%	990	1,180
Software & other intangible assets	-	-	335	<b>335</b>	335	-	100.0%	-	-
<b>Payments for financial assets</b>	-	-	-	-	77	(77)	-	-	56
<b>TOTAL</b>	<b>134,595</b>	-	-	<b>134,595</b>	<b>134,024</b>	<b>571</b>	<b>99.6%</b>	<b>131,841</b>	<b>131,789</b>

*Prior period Appropriation Statement has been modified to incorporate the reclassification of expenditure in order to be aligned to the Guidelines on the Economic Reporting Format.*



## DETAIL PER PROGRAMME 1 – ADMINISTRATION for the year ended 31 March 2011

Programme 1 Programme per subprogramme	2010/11							2009/10	
	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>1.1 CORPORATE SERVICES</b>									
Current payment	34,428	-	3,230	<b>37,658</b>	37,518	140	99.6%	32,900	32,593
Transfers and subsidies	-	-	193	<b>193</b>	192	1	99.5%	1,505	1,613
Payment for capital assets	747	-	1,783	<b>2,530</b>	2,757	(227)	109.0%	990	1,180
<b>1.2 MANAGEMENT</b>									
Current payment	7,234	-	(1,171)	<b>6,063</b>	5,838	225	96.3%	6,917	6,917
Transfers and subsidies	40	-	145	<b>185</b>	212	(27)	114.6%	299	270
<b>1.3 PROPERTY MANAGEMENT</b>									
Current payment	9,592	-	1,407	<b>10,999</b>	10,999	-	100.0%	8,720	8,717
<b>1.4 PUBLIC SERVICE COMMISSION</b>									
Current payment	16,205	-	(2,791)	<b>13,414</b>	13,162	252	98.1%	12,776	12,769
Transfers and subsidies	-	-	207	<b>207</b>	207	-	100.0%	8,362	8,361
<b>TOTAL</b>	<b>68,246</b>	<b>-</b>	<b>3,003</b>	<b>71,249</b>	<b>70,885</b>	<b>364</b>	<b>99.5%</b>	<b>72,469</b>	<b>72,420</b>

Per Economic classification	2010/11							2009/10	
	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	45,052	-	(5,619)	<b>39,433</b>	38,992	441	98.9%	38,085	37,971
Goods and services	22,407	-	6,290	<b>28,697</b>	28,444	253	99.1%	23,221	22,978
Interest and rent on land	-	-	4	<b>4</b>	4	-	100.0%	7	6
<b>Transfers and subsidies</b>									
Foreign governments and international organisations	40	-	2	<b>42</b>	41	1	97.6%	33	33
Households	-	-	543	<b>543</b>	570	(27)	105.0%	10,133	10,210
<b>Payments for capital assets</b>									
Machinery and equipment	747	-	1,448	<b>2,195</b>	2,422	(227)	110.3%	990	1,180
Software & other intangible assets	-	-	335	<b>335</b>	335	-	100.0%	-	-
<b>Payments for financial assets</b>									
	-	-	-	<b>-</b>	77	(77)	-	-	42
<b>TOTAL</b>	<b>68,246</b>	<b>-</b>	<b>3,003</b>	<b>71,249</b>	<b>70,885</b>	<b>364</b>	<b>99.5%</b>	<b>72,469</b>	<b>72,420</b>

Prior period Appropriation Statement has been modified to incorporate the reclassification of expenditure in order to be aligned to the Guidelines on the Economic Reporting Format.

# ANNUAL FINANCIAL STATEMENTS

## DETAIL PER PROGRAMME 2 – LEADERSHIP AND MANAGEMENT PRACTICES for the year ended 31 March 2011

Programme 2 Programme per subprogramme	2010/11							2009/10	
	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>2.1 Labour Relations Improvements</b>									
Current payment	11,614	-	(449)	<b>11,165</b>	11,133	32	99.7%	8,215	8,213
Transfers and subsidies	-	-	-	-	-	-	-	-	2
<b>2.2 Leadership and Human Resource Reviews</b>									
Current payment	9,691	-	(625)	<b>9,066</b>	9,032	34	99.6%	8,144	8,144
Transfers and subsidies	-	-	1	<b>1</b>	1	-	100.0%	-	-
<b>TOTAL</b>	<b>21,305</b>	<b>-</b>	<b>(1,073)</b>	<b>20,232</b>	<b>20,166</b>	<b>66</b>	<b>99.7%</b>	<b>16,359</b>	<b>16,359</b>

Per Economic classification	2010/11							2009/10	
	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	19,020	-	(1,046)	<b>17,974</b>	17,969	5	100.0%	14,214	14,211
Goods and services	2,285	-	(28)	<b>2,257</b>	2,195	62	97.3%	2,144	2,138
Interest and rent on land	-	-	-	-	1	(1)	-	1	1
<b>Transfers and subsidies</b>									
Households	-	-	1	<b>1</b>	1	-	100.0%	-	2
<b>Payments for financial assets</b>									
	-	-	-	-	-	-	-	-	7
<b>TOTAL</b>	<b>21,305</b>	<b>-</b>	<b>(1,073)</b>	<b>20,232</b>	<b>20,166</b>	<b>66</b>	<b>99.7%</b>	<b>16,359</b>	<b>16,359</b>

## DETAIL PER PROGRAMME 3 – MONITORING AND EVALUATION for the year ended 31 March 2011

Programme 3 Programme per subprogramme	2010/11							2009/10	
	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>3.1 Governance Monitoring</b>									
Current payment	11,198	-	(422)	<b>10,776</b>	10,736	40	99.6%	9,909	9,908
Transfers and subsidies	-	-	-	-	-	-	-	1	1
<b>3.2 Service Delivery and Quality Assurance</b>									
Current payment	10,757	-	(842)	<b>9,915</b>	9,872	43	99.6%	9,769	9,769
Transfers and subsidies	-	-	-	-	-	-	-	7	6
<b>TOTAL</b>	<b>21,955</b>	<b>-</b>	<b>(1,264)</b>	<b>20,691</b>	<b>20,608</b>	<b>83</b>	<b>99.6%</b>	<b>19,686</b>	<b>19,684</b>

Per Economic classification	2010/11							2009/10	
	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 payment</b>									
Compensation of employees	18,304	-	(753)	<b>17,551</b>	17,535	16	99.9%	16,348	16,346
Goods and services	3,651	-	(511)	<b>3,140</b>	3,072	68	97.8%	3,328	3,328
Interest and rent on land	-	-	-	-	1	(1)	-	2	2
<b>Transfers and subsidies</b>									
Households	-	-	-	-	-	-	-	8	7
<b>Payments for capital assets</b>									
Machinery and equipment	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>									
	-	-	-	-	-	-	-	-	1
<b>TOTAL</b>	<b>21,955</b>	<b>-</b>	<b>(1,264)</b>	<b>20,691</b>	<b>20,608</b>	<b>83</b>	<b>99.6%</b>	<b>19,686</b>	<b>19,684</b>

# ANNUAL FINANCIAL STATEMENTS

## DETAIL PER PROGRAMME 4 – INTEGRITY AND ANTI-CORRUPTION for the year ended 31 March 2011

Programme 4 Programme per subprogramme	2010/11							2009/10	
	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>4.1 PROFESSIONAL ETHICS</b>									
Current payment	11,988	-	469	<b>12,457</b>	12,429	28	99.8%	10,629	10,624
Transfers and subsidies	-	-	-	-	-	-	-	-	7
<b>4.2 PUBLIC ADMINISTRATION INVESTIGATION</b>									
Current payment	11,101	-	(1,202)	<b>9,899</b>	9,869	30	99.7%	12,698	12,493
Transfers and subsidies	-	-	67	<b>67</b>	67	-	100.0%	-	202
<b>TOTAL</b>	<b>23,089</b>	<b>-</b>	<b>(666)</b>	<b>22,423</b>	<b>22,365</b>	<b>58</b>	<b>99.7%</b>	<b>23,327</b>	<b>23,326</b>

Per Economic classification	2010/11							2009/10	
	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 payment</b>									
Compensation of employees	19,079	-	(1,259)	<b>17,820</b>	17,814	6	100.0%	18,932	18,718
Goods and services	4,010	-	526	<b>4,536</b>	4,483	53	98.8%	4,394	4,391
Interest and rent on land	-	-	-	-	1	(1)	-	1	2
<b>Transfers and subsidies</b>									
Households	-	-	67	<b>67</b>	67	-	100.0%	-	209
<b>Payments for financial assets</b>									
	-	-	-	-	-	-	-	-	6
<b>TOTAL</b>	<b>23,089</b>	<b>-</b>	<b>(666)</b>	<b>22,423</b>	<b>22,365</b>	<b>58</b>	<b>99.7%</b>	<b>23,327</b>	<b>23,326</b>

## NOTES TO THE APPROPRIATION ACCOUNT for the year ended 31 March 2011

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-D) to the Annual Financial Statements.

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

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

### 3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in the note on Financial transactions in assets and liabilities to the Annual Financial Statements.

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

#### 4.1 Per Programme

	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Variance as a % of Final Appropriation</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>
Programme 1 – Administration	71,249	70,885	364	0.51%
Programme 2 – Leadership and Management Practices	20,232	20,166	66	0.33%
Programme 3 – Monitoring and Evaluation	20,691	20,608	83	0.40%
Programme 4 – Integrity and Anti- Corruption	22,423	22,365	58	0.26%

#### 4.2 Per economic classification:

##### Current payment:

Compensation of employees	92,778	92,310	468	0.50%
Goods and services	38,630	38,194	436	1.13%
Interest and rent on land	4	7	-3	-75.00%

##### Transfers and subsidies:

Foreign governments and international organisations	42	41	1	2.38%
Households	611	638	-27	-4.42%

##### Payments for capital assets:

Machinery and equipment	2,195	2,422	-227	-10.34%
Software and other intangible assets	335	335	-	-

##### Payments for financial assets

	-	77	-77	N/A
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# ANNUAL FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2011

	<i>Note</i>	<b>2010/11</b> <b>R'000</b>	<b>2009/10</b> <b>R'000</b>
<b>REVENUE</b>			
Annual appropriation	1	134,595	131,841
Departmental revenue	2	224	520
Aid assistance	3	500	698
<b>TOTAL REVENUE</b>		<b>135,319</b>	<b>133,059</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	92,310	87,246
Goods and services	5	38,194	32,835
Interest and rent on land	6	7	11
Aid assistance	3	186	698
<b>Total current expenditure</b>		<b>130,697</b>	<b>120,790</b>
<b>Transfers and subsidies</b>		<b>679</b>	<b>10,461</b>
	8	679	10,461
<b>Expenditure for capital assets</b>			
Tangible capital assets	9	2,422	1,180
Software and other intangible assets	9	335	-
<b>Total expenditure for capital assets</b>		<b>2,757</b>	<b>1,180</b>
<b>Payment for financial assets</b>	7	<b>77</b>	<b>56</b>
<b>TOTAL EXPENDITURE</b>		<b>134,210</b>	<b>132,487</b>
<b>SURPLUS FOR THE YEAR</b>		<b>1,109</b>	<b>572</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted Funds	13	571	52
Departmental Revenue	14	224	520
Aid Assistance	3	314	-
<b>SURPLUS FOR THE YEAR</b>		<b>1,109</b>	<b>572</b>

## STATEMENT OF FINANCIAL POSITION for the year ended 31 March 2011

	<i>Note</i>	<b>2010/11</b> <b>R'000</b>	<b>2009/10</b> <b>R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>		<b>1,617</b>	<b>1,471</b>
Cash and cash equivalents	10	1,331	448
Prepayments and advances	11	-	26
Receivables	12	286	997
<b>TOTAL ASSETS</b>		<b>1,617</b>	<b>1,471</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>970</b>	<b>1,218</b>
Voted funds to be surrendered to the Revenue Fund	13	571	52
Departmental revenue to be surrendered to the Revenue Fund	14	4	30
Payables	15	81	1,136
Aid Assistance unutilised	3	314	-
<b>Non-Current Liabilities</b>			
Payables	16	460	-
<b>TOTAL LIABILITIES</b>		<b>1,430</b>	<b>1,218</b>
<b>NET ASSETS</b>		<b>187</b>	<b>253</b>
<b>Represented by:</b>			
Recoverable revenue		187	253
<b>TOTAL</b>		<b>187</b>	<b>253</b>

# ANNUAL FINANCIAL STATEMENTS

## STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2011

	<i>Note</i>	<b>2010/11</b>	<b>2009/10</b>
		<b>R'000</b>	<b>R'000</b>
<b>Recoverable revenue</b>			
Opening balance		253	255
Transfers		<b>-66</b>	<b>-2</b>
Debts recovered (included in departmental receipts)		-184	-234
Debts raised		118	232
Closing balance		<b>187</b>	<b>253</b>
<b>TOTAL</b>		<b>187</b>	<b>253</b>



## CASH FLOW STATEMENT for the year ended 31 March 2011

	<i>Note</i>	<b>2010/11</b> <b>R'000</b>	<b>2009/10</b> <b>R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>135,319</b>	<b>133,059</b>
Annual appropriated funds received	1	134,595	131,841
Departmental revenue received	2	224	520
Aid assistance	3	500	698
Decrease/(Increase)in working capital		-318	72
Surrendered to Revenue Fund		-302	-517
Current payments		-130,697	-120,790
Payment for financial assets	7	-77	-56
Transfers and subsidies paid	8	-679	-10,461
<b>Net cash flow available from operating activities</b>	<b>17</b>	<b>3,246</b>	<b>1,307</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	9	-2,757	-1,180
<b>Net cash flows from investing activities</b>		<b>-2,757</b>	<b>-1,180</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Decrease in net assets		-66	-2
Increase in non-current payables		460	-
<b>Net cash flows from financing activities</b>		<b>394</b>	<b>-2</b>
<b>Decrease/(Increase)in cash and cash equivalents</b>		<b>883</b>	<b>125</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>448</b>	<b>323</b>
<b>Cash and cash equivalents at end of period</b>	<b>18</b>	<b>1,331</b>	<b>448</b>

# ANNUAL FINANCIAL STATEMENTS

## 3.4 ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2011

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.

### 3.4.1 PRESENTATION OF THE FINANCIAL STATEMENTS

#### 3.4.1.1 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.

#### 3.4.1.2 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.

#### 3.4.1.3 Rounding

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

#### 3.4.1.4 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.

#### 3.4.1.5 Comparative figures - Appropriation Statement

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

### 3.4.2 REVENUE

#### 3.4.2.1 Appropriated funds

Appropriated funds comprise 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 Revenue Fund. Any amounts owing to the National 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 Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

#### 3.4.2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the National Revenue

Fund, unless stated otherwise.

Any amount owing to the National Revenue Fund is recognised as a payable in the statement of financial position.

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

#### 3.4.2.3 Direct Exchequer receipts

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

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

#### 3.4.2.4 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.

#### 3.4.2.5 Aid assistance

Aid 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.

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.

### 3.4.3 EXPENDITURE

#### 3.4.3.1 Compensation of employees

##### 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.

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.

##### 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.

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.

# ANNUAL FINANCIAL STATEMENTS

## 3.4.3.2 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.

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*.

## 3.4.3.3 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 is recorded under goods and services.

## 3.4.3.4 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.

## 3.4.3.5 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system.

## 3.4.3.6 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.

## 3.4.3.7 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.

## 3.4.3.8 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.

## 3.4.4 ASSETS

### 3.4.4.1 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.

### 3.4.4.2 Other financial assets

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

### 3.4.4.3 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.

### 3.4.4.4 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 potentials irrecoverable are included in the disclosure notes.

### 3.4.4.5 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.

### 3.4.4.6 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.

### 3.4.4.7 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 formula.

### 3.4.4.8 Capital assets

#### Movable 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 movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register at R1.

# ANNUAL FINANCIAL STATEMENTS

## *Subsequent recognition*

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 on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

## **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 R1 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 asset". 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.

## **3.4.5 LIABILITIES**

### **3.4.5.1 Payables**

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

### **3.4.5.2 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.

### **3.4.5.3 Contingent assets**

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

### **3.4.5.4 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.

### **3.4.5.5 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.

### **3.4.5.6 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.

### **3.4.5.7 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 statements.

#### 3.4.5.8 Impairment and other provisions

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.

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.

#### 3.4.6 RECEIVABLES FOR DEPARTMENTAL REVENUE

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

#### 3.4.7 NET ASSETS

##### 3.4.7.1 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 Revenue Fund when the underlining asset is disposed and the related funds are received.

##### 3.4.7.2 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 Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

#### 3.4.8 RELATED PARTY TRANSACTIONS

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

#### 3.4.9 KEY MANAGEMENT PERSONNEL

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

#### 3.4.10 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.

# ANNUAL FINANCIAL STATEMENTS

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2011

### 1. Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted Funds).

	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received 2009/10
	R'000	R'000	R'000	R'000
Administration	71,249	71,249	-	72,469
Leadership and Management Practices	20,232	20,232	-	16,359
Monitoring and Evaluation	20,691	20,691	-	19,686
Integrity and Anti-Corruption	22,423	22,423	-	23,327
<b>TOTAL</b>	<b>134,595</b>	<b>134,595</b>	<b>-</b>	<b>131,841</b>

### 2. Departmental Revenue

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Sales of goods and services other than capital assets	2.1	65	63
Interest, dividends and rent on land	2.2	11	14
Transactions in financial assets and liabilities	2.3	148	443
<b>Departmental revenue collected</b>		<b>224</b>	<b>520</b>

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

Sales of goods and services produced by the department	<b>12</b>	<b>46</b>
Sales by market establishment	12	12
Other sales	-	34
Sales of scrap, waste and other used current goods	53	17
<b>TOTAL</b>	<b>65</b>	<b>63</b>

#### 2.2 Interest, dividends and rent on land and buildings

Interest	11	14
<b>TOTAL</b>	<b>11</b>	<b>14</b>

#### 2.3 Transactions in financial assets and liabilities

Receivables	106	107
Other Receipts including Recoverable Revenue	42	336
<b>TOTAL</b>	<b>148</b>	<b>443</b>



	<i>Note</i>	<b>2010/11</b>	<b>2009/10</b>
		<b>R'000</b>	<b>R'000</b>
<b>3. Aid assistance</b>			
<b>3.1 Assistance received in cash from (Reconstruction and Development Programme (RDP))</b>			
<b>Foreign</b>			
Opening balance		-	-
Revenue		500	698
Expenditure		<b>-186</b>	<b>-698</b>
Current		-186	-698
<b>CLOSING BALANCE</b>		<b>314</b>	<b>-</b>
<b>3.2 Analysis of balance</b>			
Aid assistance unutilised		314	-
<b>4. Compensation of Employees</b>			
<b>4.1 Salaries and Wages</b>			
Basic salary		60,826	57,296
Performance award		1,565	1,902
Service Based		154	145
Compensative/circumstantial		769	852
Other non-pensionable allowances		18,502	17,309
<b>TOTAL</b>		<b>81,816</b>	<b>77,504</b>
<b>4.2 Social contributions</b>			
<b>Employer contributions</b>			
Pension		7,841	7,359
Medical		2,640	2,375
Bargaining council		13	8
<b>TOTAL</b>		<b>10,494</b>	<b>9,742</b>
<b>TOTAL COMPENSATION OF EMPLOYEES</b>		<b>92,310</b>	<b>87,246</b>
Average number of employees		218	231

# ANNUAL FINANCIAL STATEMENTS

	Note	2010/11 R'000	2009/10 R'000
<b>5. Goods and services</b>			
Administrative fees		31	125
Advertising		510	383
Assets less than R5,000	5.1	372	173
Bursaries (employees)		274	173
Catering		245	251
Communication		1,994	2,225
Computer services	5.2	4,126	3,313
Consultants, contractors and agency/outsourced services	5.3	5,294	4,414
Audit cost – external	5.4	3,529	1,959
Inventory	5.5	2,871	3,653
Operating leases		9,247	7,179
Owned and leasehold property expenditure	5.6	2,498	2,151
Travel and subsistence	5.7	4,587	4,991
Venues and facilities		1,146	468
Training and staff development		911	412
Other operating expenditure	5.8	559	965
<b>TOTAL</b>		<b>38,194</b>	<b>32,835</b>
<b>5.1 Assets less than R5,00</b>			
<b>Tangible assets</b>		<b>372</b>	<b>173</b>
Machinery and equipment		372	173
<b>TOTAL</b>		<b>372</b>	<b>173</b>
<b>5.2 Computer services</b>			
SITA computer services		3,665	2,976
External computer service providers		461	337
<b>TOTAL</b>		<b>4,126</b>	<b>3,313</b>
<b>5.3 Consultants, contractors and agency/outsourced services</b>			
Business and advisory services		4,096	3,992*
Legal costs		435	150
Contractors		661	262
Agency and support/outsourced services		102	10*
<b>TOTAL</b>		<b>5,294</b>	<b>4,414</b>

\* Prior year figures restated.

	<i>Note</i>	<b>2010/11</b>	<b>2009/10</b>
		<b>R'000</b>	<b>R'000</b>
<b>5.4 Audit cost - external</b>			
Regulatory audits		3,529	1,959
<b>TOTAL</b>		<b>3,529</b>	<b>1,959</b>
<b>5.5 Inventory</b>			
Learning and teaching support material		17	11
Other consumable materials		18	51
Stationery and printing		2,835	3,591
Medical supplies		1	-
<b>TOTAL INVENTORY</b>		<b>2,871</b>	<b>3,653</b>
<b>5.6 Owned and leasehold property expenditure</b>			
Municipal services			-
Property management fees		1,752	1,541
Other		746	610
<b>TOTAL</b>		<b>2,498</b>	<b>2,151</b>
<b>5.7 Travel and subsistence</b>			
Local		4,433	4,707
Foreign		154	284
<b>Total travel and subsistence</b>		<b>4,587</b>	<b>4,991</b>
<b>5.8 Other operating expenditure</b>			
Professional bodies, membership and subscription fees		69	66
Resettlement costs		221	524
Other		269	375
<b>TOTAL</b>		<b>559</b>	<b>965</b>
<b>6. Interest and Rent on Land</b>			
Interest Paid		7	11
<b>TOTAL</b>		<b>7</b>	<b>11</b>
<b>7. Payment for financial assets</b>			
Other material losses written off	7.1	77	56
<b>TOTAL</b>		<b>77</b>	<b>56</b>

# ANNUAL FINANCIAL STATEMENTS

	<i>Note</i>	<b>2010/11</b>	<b>2009/10</b>
		<b>R'000</b>	<b>R'000</b>
<b>7.1 Other material losses written off</b>			
<b>Nature of losses</b>			
Car accidents		9	2
Cancellation fees		21	13
Other		12	22
Non-Arrival charges		6	3
Bank Fees		1	1
After Hour Emergency Fees		1	15
Salaries		6	-
Computers		21	-
<b>TOTAL</b>		<b>77</b>	<b>56</b>
<b>7.2 Assets written off</b>			
<b>Nature of write off</b>			
Computer equipment		40	261
Furniture and office equipment		9	54
Other machinery and equipment		5	50
<b>TOTAL</b>		<b>54</b>	<b>365</b>
<b>8. Transfers and subsidies</b>			
Foreign governments and international organisations	<i>Annex 1A</i>	41	33
Households	<i>Annex 1B</i>	638	10,428
<b>TOTAL</b>		<b>679</b>	<b>10,461</b>
<b>9. Expenditure for Capital Assets</b>			
<b>Tangible assets</b>			
Machinery and equipment	27	2,422	1,180
<b>Software and other intangible assets</b>			
Computer software	28	335	-
<b>TOTAL</b>		<b>2,757</b>	<b>1,180</b>

### 9.1 Analysis of funds utilised to acquire capital assets – 2010/11

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>			
Machinery and equipment	2,422	-	2,422
<b>Software and other intangible assets</b>			
Computer software	335	-	335
<b>TOTAL</b>	<b>2,757</b>	<b>-</b>	<b>2,757</b>

### 9.2 Analysis of funds utilised to acquire capital assets – 2009/10

<b>Tangible assets</b>			
Machinery and equipment	1,180	-	1,180
<b>TOTAL</b>	<b>1,180</b>	<b>-</b>	<b>1,180</b>

<i>Note</i>	2010/11 R'000	2009/10 R'000
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### 10. Cash and cash equivalents

Consolidated Paymaster General Account	1,313	430
Cash on hand	18	18
<b>TOTAL</b>	<b>1,331</b>	<b>448</b>

### 11. Prepayments and Advances

Travel and subsistence	-	26
<b>TOTAL</b>	<b>-</b>	<b>26</b>

### 12. Receivables

	<i>Note</i>	Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	Total R'000
Claims Recoverable	12.1		-	13	13	16
Recoverable expenditure	12.2	11	-	-	11	5
Staff debts	12.3	56	71	128	255	619
Other debtors	12.4	7	-	-	7	357
<b>Total</b>		<b>74</b>	<b>71</b>	<b>141</b>	<b>286</b>	<b>997</b>

# ANNUAL FINANCIAL STATEMENTS

	<i>Note</i>	<b>2010/11</b>	<b>2009/10</b>
		<b>R'000</b>	<b>R'000</b>
<b>12.1 Claims recoverable</b>			
Provincial departments		13	16*
<b>TOTAL</b>		<b>13</b>	<b>16</b>
<i>* Prior year figures restated.</i>			
<b>12.2 Recoverable expenditure(disallowance accounts)</b>			
SAL:DeductionDisallAcc		-	1
SAL: Reversal Control		-	3
SAL:Tax Debt		11	1
<b>TOTAL</b>		<b>11</b>	<b>5</b>
<b>12.3 Staff debts</b>			
Salary		93	79
Bursary		119	147
Other		38	374
Travel and Subsistence		5	19
<b>TOTAL</b>		<b>255</b>	<b>619</b>
<b>12.4 Other debtors</b>			
Other		7	-
Legal cost		-	357
<b>TOTAL</b>		<b>7</b>	<b>357</b>
<b>13. Voted funds to be surrendered to the Revenue Fund</b>			
Opening balance		52	16
Transfer from Statement of Financial Performance		571	52
Paid during the year		-52	-16
<b>Closing balance</b>		<b>571</b>	<b>52</b>
<b>14. Departmental revenue to be surrendered to the Revenue Fund</b>			
Opening balance		30	11
Transfer from Statement of Financial Performance		224	520
Paid during the year		-250	-501
<b>Closing balance</b>		<b>4</b>	<b>30</b>

	<i>Note</i>	<b>2010/11</b>	<b>2009/10</b>
		<b>R'000</b>	<b>R'000</b>
<b>15. Payables – Current</b>			
Advances received	15.1	-	991
Clearing accounts	15.2	81	-8
Other payables	15.3	-	153
<b>TOTAL</b>		<b>81</b>	<b>1,136</b>
<b>15.1 Advances received</b>			
National Anti-Corruption Programme – DPSA		-	656
Association of African Public Services Commissions		-	335
<b>TOTAL</b>		<b>-</b>	<b>991</b>
<b>15.2 Clearing accounts</b>			
Sal: Income Tax		62	-8
Sal: Pension Fund		19	-
<b>TOTAL</b>		<b>81</b>	<b>-8</b>
<b>15.3 Other payables</b>			
Stannic		-	153
<b>TOTAL</b>		<b>-</b>	<b>153</b>

## 16. Payables – non-current

	<i>Note</i>	2010/11			Total	2009/10
		One to two	Two to three	More than		
		years	years	three years		
		R'000	R'000	R'000	R'000	R'000
National Anti-Corruption Programme - DPSA		-	-	460	460	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>460</b>	<b>460</b>	<b>-</b>

# ANNUAL FINANCIAL STATEMENTS

	<i>Note</i>	<b>2010/11</b>	<b>2009/10</b>
		<b>R'000</b>	<b>R'000</b>
<b>17. Net Cash Flow Available from Operating Activities</b>			
Net surplus as per Statement of Financial Performance		1,109	572
Add back non cash/cash movements not deemed operating activities		2,137	735
Decrease/(Increase) in receivables – current		711	-91
Decrease/(Increase) in prepayments and advances		26	-18
Decrease/(Increase) in payables – current		-1,055	181
Expenditure on capital assets	9	2,757	1,180
Surrenders to revenue fund		-302	-517
<b>NET CASH FLOW GENERATED BY OPERATING ACTIVITIES</b>		<b>3,246</b>	<b>1,307</b>
<b>18. Reconciliation of Cash and Cash Equivalents for Cash flow Purposes</b>			
Consolidated Paymaster General account		1,313	430
Cash on hand		18	18
<b>TOTAL</b>		<b>1,331</b>	<b>448</b>



## DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2011

The amounts reflected under notes 19 to 29 are not recognised in the financial statements and are disclosed to enhance the usefulness of the financial statements.

	<i>Note</i>	2010/11 R'000	2009/10 R'000
<b>19. Contingent liabilities</b>			
<b>Liable to</b>	<b>Nature</b>		
Housing loan guarantees	Employees	-	90
	<i>Annex 2</i>	-	90
<b>TOTAL</b>		<b>-</b>	<b>90</b>

<b>20. Commitments</b>			
<b>Current expenditure</b>			
Approved and contracted		8,050	3,741
		<b>8,050</b>	<b>3,741</b>
<b>Capital expenditure</b>			
Approved and contracted		-	-
		-	-
<b>TOTAL COMMITMENTS</b>		<b>8,050</b>	<b>3,741</b>

<b>21. Accruals</b>					
<b>Listed by economic classification</b>					
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>		<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>		<b>R'000</b>
Goods and services	753	422	1,175		1,663
<b>TOTAL</b>	<b>753</b>	<b>422</b>	<b>1,175</b>		<b>1,663</b>
<b>Listed by programme level</b>					
Programme 1: Administration			613		1,402
Programme 2: Leadership and Management Practices			472		175
Programme 3: Monitoring and Evaluation			60		28
Programme 4: Integrity and Anti-Corruption			30		58
			<b>1,175</b>		<b>1,663</b>
Confirmed balances with other departments			<b>19</b>	<i>Annex 4</i>	-

# ANNUAL FINANCIAL STATEMENTS

	<i>Note</i>	<b>2010/11</b>	<b>2009/10</b>
		<b>R'000</b>	<b>R'000</b>
<b>22. Employee Benefits</b>			
Leave entitlement		*1,666	1,213
Service bonus (Thirteenth cheque)		2,366	2,358
Performance awards		1,553	1,290
Capped leave commitments		6,839	6,676
<b>TOTAL</b>		<b>12,424</b>	<b>11,537</b>

*\*In terms of Government Policy, full vacation leave days accrue to all employees on 1 January annually. Furthermore, employees are entitled to take more days than what they would have accrued if this was done on an annual basis. The negative balances amounting to -R406 316.14 are as a result of the implementation of the policy.*

## 23. Lease commitments

### 23.1 Operating leases expenditure

	<b>Land</b>	<b>Buildings and other fixed structures</b>	<b>Machinery and equipment</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>2010/2011</b>				
Not later than 1 year	-	13,299	-	13,299
Later than 1 year and not later than 5 years	-	3,522	-	3,522
<b>Total lease commitments</b>	<b>-</b>	<b>16,821</b>	<b>-</b>	<b>16,821</b>
<b>2009/10</b>				
Not later than 1 year	-	9,247	84	9,331
Later than 1 year and not later than 5 years	-	16,851	126	16,977
<b>Total lease commitments</b>	<b>-</b>	<b>26,098</b>	<b>210</b>	<b>26,308</b>

### 23.2 Finance lease expenditure

<b>2010/2011</b>				
Not later than 1 year	-	-	707	707
Later than 1 year and not later than 5 years	-	-	1,269	1,269
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>1,976</b>	<b>1,976</b>
Less: Finance costs	-	-	228	228
<b>Total present value of lease liabilities</b>	<b>-</b>	<b>-</b>	<b>1,748</b>	<b>1,748</b>

	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
<b>2009/10</b>				
Not later than 1 year	-	-	166	166
Later than 1 year and not later than 5 years	-	-	-	-
<b>Total lease commitments</b>	-	-	<b>166</b>	<b>166</b>
Less: Finance cost	-	-	5	5
<b>Total present value of lease liabilities</b>	-	-	<b>161</b>	<b>161</b>

## 24. Fruitless and wasteful expenditure

### Reconciliation of fruitless and wasteful expenditure

Fruitless and wasteful expenditure – relating to prior year	-	121
Fruitless and wasteful expenditure – relating to current year	36	218
Less: Amounts condoned	-36	-
Less: Amounts transferred to receivables for recovery	-	-339
<b>Fruitless and wasteful expenditure awaiting condonation</b>	<b>-</b>	<b>-</b>

### 24.1 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2010/11 R'000
Cancellation of Venue	No disciplinary steps taken or criminal proceedings as condonement was received from the Accounting Officer.	36
<b>Total</b>		<b>36</b>

## 25. Related Party Transactions

PSC has related party relationship with the following public sector entities that fall under the portfolio of the Minister for Public Service and Administration:

Department of Public Service and Administration

State Information Technology Agency (provision of IT communication infrastructure)

PALAMA Training and Trading Account (provision of training).

# ANNUAL FINANCIAL STATEMENTS

## 26. Key management personnel

	No. of Individuals	2010/11 R'000	2009/10 R'000
Political Office Bearers *	12	11,057	10,416
Officials:			
Level 15 to 16	5	3,757	4,480
Level 14	10	4,705	5,193
<b>TOTAL</b>		<b>19,519</b>	<b>20,089</b>

\*Chairperson (1), Deputy Chairperson (1) and other members of the Commission (10).

## 27. Movable Tangible Capital Assets

### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000	Cost R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>11,292</b>	<b>-</b>	<b>2,435</b>	<b>82</b>	<b>13,645</b>
Transport assets	725	-	-	-	725
Computer equipment	7,690	-	1,574	61	9,203
Furniture and office equipment	1,489	-	647	9	2,127
Other machinery and equipment	1,388	-	24	12	1,400
<b>TOTAL MOVABLE TANGIBLE ASSETS</b>	<b>11,292</b>	<b>-</b>	<b>2,245</b>	<b>82</b>	<b>13,455</b>

### 27.1 Additions

#### ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Cash	Non-cash	(Capital Work in Progress current costs and Finance Leases)	Received current, not paid (Paid current year, received prior year)	Total
	Cost R'000	Non-cash R'000	Cost R'000	Cost R'000	Cost R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>2,232</b>	<b>13</b>	<b>(190)</b>	<b>-</b>	<b>2,435</b>
Computer equipment	1,574	-	-	-	1,574
Furniture and office equipment	640	7	-	-	647
Other machinery and equipment	208	6	(190)	-	24
<b>TOTAL</b>	<b>2,422</b>	<b>13</b>	<b>(190)</b>	<b>-</b>	<b>2,245</b>

## 27.2 Disposals

### DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	-	82	82	-
Computer equipment	-	61	61	-
Furniture and office equipment	-	9	9	-
Other machinery and equipment	-	12	12	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	-	82	82	-

## 27.3 Movement for 2009/10

### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	10,467	1,190	365	11,292
Transport assets	725	-	-	725
Computer equipment	7,177	774	261	7,690
Furniture and office equipment	1,358	185	54	1,489
Other machinery and equipment	1,207	231	50	1,388
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	10,467	1,190	365	11,292

## 27.4 Minor assets

### MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2011

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	56	1	5,750	-	5,807
Prior Year Balances	-	-	23	-	23
Additions	-	-	372	-	372
Disposals	-	-	39	-	39
<b>TOTAL MINOR ASSETS</b>	56	1	6,106	-	6,163

# ANNUAL FINANCIAL STATEMENTS

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Number of R1 minor assets	-	-	7		7
Number of minor assets	14	2	7020	-	7036
<b>TOTAL</b>	<b>14</b>	<b>2</b>	<b>7027</b>	<b>-</b>	<b>7043</b>

## MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2010

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Minor assets	56	1	5,750	-	5,807
<b>TOTAL</b>	<b>56</b>	<b>1</b>	<b>5,750</b>	<b>-</b>	<b>5,807</b>

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Number of minor assets	14	2	6841	-	6857
<b>TOTAL</b>	<b>14</b>	<b>2</b>	<b>6841</b>	<b>-</b>	<b>6857</b>

## 28. Intangible Capital Assets

### MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	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	195	-	335	-	530
<b>TOTAL</b>	<b>195</b>	<b>-</b>	<b>335</b>	<b>-</b>	<b>530</b>

## 28.1 Additions

### ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Cash	Non-Cash	(Develop- ment 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	335	-	-	-	335
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>335</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>335</b>

### Movement for 2009/10

### MOVEMENT IN INTANGIBLE CAPITAL ASSETS AS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance	Current Year Adjustments to prior year balances	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer software	195	-	-	195
<b>TOTAL</b>	<b>195</b>	<b>-</b>	<b>-</b>	<b>195</b>

## 29. World Cup Expenditure

	Quantity	2010/11 R'000	2009/10 R'000
<b>Purchase of other world cup apparel</b>			
T-Shirts	2	-	1
Soccer promotional material	93	7	-
<b>Total world cup expenditure</b>	<b>95</b>	<b>7</b>	<b>1</b>

# ANNUAL FINANCIAL STATEMENTS

## ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2011

### ANNEXURE 1A

#### STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
African Association for Public Administration and Management (AAPAM)	11	-	-	11	11	100.0%	5
International Public Man- agement Association (IPMA)	7	-	-	7	7	100.0%	4
Commonwealth Asso- ciation for Public Admini- stration and Management (CAPAM)	23	-	-	23	23	100.0%	24
<b>Total</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>41</b>	<b>41</b>		<b>33</b>



## ANNEXURE 1B

### STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Retirement and Resignations benefits	495	-	-	495	495	100%	1,875
Commissioners	-	-	-	-	-	100%	8,444
Arbitration awards	-	-	-	-	-	-	109
Claims against the state	143	-	-	143	143	100%	-
<b>Total</b>	<b>638</b>	<b>-</b>	<b>-</b>	<b>638</b>	<b>638</b>	<b>-</b>	<b>10,428</b>

# ANNUAL FINANCIAL STATEMENTS

## ANNEXURE 1C

### STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11	2009/10
		R'000	R'000
<b>Received in cash</b>			
Development Evaluation Training (IPDET)	Additional amount of R4800, bequeathed to the PSC to purchase Institutional Membership of the International Development Evaluation Association (IDEAS)	5	-
<b>Subtotal</b>		<b>5</b>	<b>-</b>
<b>Received in kind</b>			
NUFFIC-Netherlands Embassy	Scholarship for a short course on Local governance and rural decentralisation multi-stakeholder process for institutional strengthening	-	45
United Nations Development Programme	Travel expenditure to attend the International Conference on National Evaluation Capacity	-	39
<b>Subtotal</b>		<b>-</b>	<b>84</b>
<b>TOTAL</b>		<b>5</b>	<b>84</b>

## ANNEXURE 1D

### STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDI- TURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
<b>Received in cash</b>					
InternationaleZusammenarbeit (GIZ) GmbH	Labour Relations Conference	-	500	186	314
<b>Subtotal</b>		<b>-</b>	<b>500</b>	<b>186</b>	<b>314</b>
<b>Received in kind</b>					
Development Evaluation Training (IPDET)	Airticket, accomodation and subsistence paid to attend the International Programme for Development Evaluation Training (IPDET), as instructor, in Ottawa, Canada, between 20-31 June 2011	-	63	63	-
InternationaleZusammenarbeit (GIZ) GmbH	Citizen Satisfaction Survey	-	1,610	1,610	-
	Dr Rist International Expert Monitoring and Evaluation Capacity Building	-	18	18	-
<b>Subtotal</b>		<b>-</b>	<b>1,691</b>	<b>1,691</b>	<b>-</b>
<b>TOTAL</b>		<b>-</b>	<b>2,191</b>	<b>1,877</b>	<b>314</b>

# ANNUAL FINANCIAL STATEMENTS

## ANNEXURE 2

### STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2011 – LOCAL

Guarantor or institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2010	Guarantees draw downs during the year	Guarantees repayments/cancelled/reduced/released during the year	Currency revaluations	Closing balance 31 March 2011	Guaranteed interest for year ended 31 March 2011	Realised losses not recoverable
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Housing</b>									
FNB		-	47	-	47	-	-	-	-
NEDCOR		-	26	-	26	-	-	-	-
STANDARD		-	17	-	17	-	-	-	-
	<b>Subtotal</b>	-	90	-	90	-	-	-	-
	<b>TOTAL</b>	-	<b>90</b>	-	<b>90</b>	-	-	-	-

## ANNEXURE 3

### CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Department</b>						
Provincial Administration: Western Cape	-	-	3	3	3	3
Department of Education: Eastern Cape	-	-	10	10	10	10
<b>TOTAL</b>	-	-	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>

## ANNEXURE 4

### INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
<b>Current</b>						
South African Police Services	19	-	-	-	19	-
<b>TOTAL</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19</b>	

## ANNEXURE 5

### INVENTORY

Inventory	Note	Quantity	2010/11	Quantity	2009/10
			R'000		R'000
Opening balance		13 524	256	11 741	325
Add/(Less): Adjustments to prior year balance		-	2	-	-39
Add: Additions/Purchases - Cash		26 234	1 047	23 162	843
Add: Additions - Non-cash		687	21	821	24
(Less): Disposals		-	-	-128	-83
(Less): Issues		-26 745	-1 050	-21 086	-861
Add/(Less): Adjustments		-167	-22	-82	47
<b>Closing balance</b>		<b>13 533</b>	<b>254</b>	<b>14 428</b>	<b>256</b>

# CHAPTER 4

## Human Resource Management

In compliance with the requirements in terms of Section 40 (1)(d)(i) of the Public Finance Management Act, 1999, read in conjunction with the Public Service Regulations Chapter 1, Part III, paragraphs J.1 to 4, this chapter provides the statistics and information relating to the management of the OPSC.

## 4.1 SERVICE DELIVERY

The PSC developed its Service Delivery Improvement Plan for the 2010/2011 financial year which is accessible on the PSC website ([www.psc.gov.za](http://www.psc.gov.za)). The following tables reflect the components of the SDIP as well as progress made in implementing the plan.

**Table 1.1 - Main services provided and standards**

Key services	Clients	Current standard	Actual achievement against standards
Conduct research on labour relations issues and investigate grievances of public servants	Government departments	Report with findings and recommendations finalised  80% of all referred grievances finalised within three months from date of receipt of all relevant documentation	Fact Sheet on Grievance Resolution in the Public Service for the 2009/10 Financial Year was finalised  Report on the Management of Grievances to identify Best Practices and the Report on the Management of Precautionary Suspensions in the Public Service were compiled. Research paper on Collective Bargaining in the Public Service is in progress  The 2 <sup>nd</sup> Biennial Labour Relations Conference was held and the report on the conference is in progress  The PSC received 572 grievances of which 141 (25%) cases were referred to the PSC due to non-compliance with the prescribed timeframe as determined in the Grievance Rules. 30 (5%) cases were not formally lodged and in these instances, employees were advised to lodge formal grievances with their respective departments, 2 (0.3%) cases were lodged by former employees which were referred to the responsible EAs. 125 (22%) cases were finalised by the end of the financial year; of which 67 (54%) cases were resolved internally. A total of 219 (38%) cases were pending due to incomplete information provided by departments
Improving and promoting Public Service Leadership	The Presidency Government departments Academia Non-governmental organisations Provincial Executive Councils	Report with findings and recommendations finalised	Report on the Implementation of the Performance Management and Development System for Senior Managers in the Western Cape Province was finalised and a Report on the Assessment of the Implementation of Recruitment and Selection Practices in Local Government was submitted to the PSC for approval

Key services	Clients	Current standard	Actual achievement against standards
Monitoring the Heads of Department performance management	The Presidency Government departments Academia Non-governmental organisations Provincial Executive Councils	All qualifying HoDs successfully evaluated  HoD performance agreements monitored and evaluated  Reports with findings and recommendations finalised within set targets	Guidelines for the 2009/10 evaluation cycle were published in October 2010  7 national HoDs were evaluated, of which 5 were for the previous evaluation cycles and 2 were for the 2009/10 cycle. 43 provincial HoDs were evaluated, of which 37 were for the previous cycles and 6 were for the 2009/10 cycle  33 national and 75 provincial HoDs filed their PAs for the 2010/11 financial year  An update to Parliament and the Executive on the filing of PAs for the 2010/11 financial year is in progress
Review the implementation of human resource practices through production of research reports and recommendations	Executives Government departments Legislatures Complainants	Report with findings and recommendations finalised	Report on Human Resource Development Practices in the Public Service and a Factsheet on the Duration of Employment per Grade of Senior Management Service members Levels 13 – 16 were compiled
Evaluation of departments against the values listed in section 195 of the Constitution	Government departments The Executive Parliament Provincial Legislatures The public domain (academics, civil society organisations)	Reports with findings and recommendations finalised	Out of 21 departmental M&E reports focusing on departments' adherence to the Constitutional values and principles of public administration, 1 was finalised, 8 were compiled, 9 were submitted to the relevant departments for comments and 3 are in progress  The 7 <sup>th</sup> Consolidated M&E Report for the 2009/10 Evaluation Cycle was finalised
Evaluation of the State of the Public Service	Government departments The Executive Parliament Provincial Legislatures The public domain	Report with findings and recommendations finalised	The 2011 SOPS Report under the theme: <i>Innovating for Effective Public Service Delivery</i> was compiled
Evaluation of the success of identified government programmes	Government departments The Executive Parliament Provincial Legislatures The public domain	Reports with findings and recommendations finalised	Report on the Programme of Farmer Support and Development Services provided by the National and Provincial Departments of Agriculture was compiled  Meta-Evaluation Report on a selected Poverty Reduction Programme was submitted to the PSC for approval



Key services	Clients	Current standard	Actual achievement against standards
Evaluation of service delivery	Government departments The Executive Portfolio Committees Provincial Legislatures Academia Non-governmental organisations	Reports with findings and recommendations finalised	Inspections were conducted at selected police stations focusing on the detective services and the reports were finalised  Report on the Role of Agencification on Public Service Delivery in Selected Sectors and the Report on the Effectiveness of the <i>Batho Pele</i> in Public Service Delivery were compiled
Propose measures to ensure effective and efficient performance within the Public Service	Government departments The Executive Portfolio Committees Provincial Legislatures Academia Non-governmental organisations	Report with findings and recommendations finalised	Report on Citizen Satisfaction Survey based on Key Drivers of Citizen Satisfaction was submitted to the PSC for approval  Oversight Guide on the Organisation of the Public Service was finalised
Investigate irregular or inefficient public administration practices	Government departments The Executive Portfolio Committees Provincial Legislatures Academia Non-governmental organisations	80% of investigations finalised within three months from the date of receipt of all documents  Report with findings and recommendations finalised	72 desktop audits and 4 full scale investigations lodged in terms of the Complaints Rules were closed/finalised. A further 14 full scale investigations and 79 desktop investigations were in progress  719 NACH cases were lodged of which 614 were carried over from the previous financial years and 105 were lodged during the 2011/12 financial year. Of these, 90 complaints related to service delivery. 398 cases were finalised, which include cases that were carried over from the previous financial years  Report on Trend Analysis on Complaints Lodged with the PSC during the 2009/2010 Financial Year was finalised  Report on Financial Misconduct for the 2009/2010 Financial Year was compiled
Establish a culture of professional behaviour in the Public Service	The Executive Government departments Legislatures Complainants	Provide professional secretarial support to the National Anti-Corruption Forum  Manage the extent of compliance to the Financial Disclosure Framework by members of the SMS  Management of the National Anti-Corruption Hotline	Secretarial services were provided to the NACF. 1 NACF and 1 EXCO meeting were held  An 88% compliance rate was achieved from departments with regard to the FDF  In terms of the NACH, 1 117 cases of corruption were referred in line with the agreed protocols to departments

Key services	Clients	Current standard	Actual achievement against standards
		<p>Successful hosting of workshops and report on proceedings</p> <p>Revise Code of Conduct and gazette in the Public Service Regulations</p> <p>Awareness created on professional ethics and anti-corruption</p>	<p>Two workshops on the NACH were held with provincial and national departments</p> <p>Three workshops were held to promote the Code of Conduct</p> <p>Roundtable on Ethics in Public Life was held and anti-corruption promotional material were distributed during the celebration</p>
Sound financial management	Commissioners OPSC staff Service providers Auditor-General National Treasury Government departments	Monitoring of expenditure and utilisation of budget within the budget allocation	<p>The outcome of 2010/11 is still unknown as the audit process is still in progress</p> <p>Monthly Budget Committee Meetings were held</p>
Provide communication and information support by among others, marketing the work of the PSC through media campaign and exhibitions; and tabling and distribution of published reports	Commissioners OPSC staff	<p>Media activities on selected PSC published reports held</p> <p>Tabling and timely distribution of PSC published reports</p>	<p>Research work of the PSC reached a wider audience through media, roundtables and exhibitions to mention a few</p> <p>PSC reports were also tabled in Parliament and Provincial Legislatures timeously in accordance with Section 196(4)(e) of the Constitution, 1996. The reports were also placed on the website (<a href="http://www.psc.gov.za">www.psc.gov.za</a>) for accessibility by the public</p>
Manage, maintain and ensure efficient use of the overall IT infrastructure, systems and services	Commissioners OPSC staff	IT operations conducted in accordance with IT policies and best practices	<p>Implemented Microsoft SharePoint in order to facilitate group working, information sharing and document organisation</p> <p>Acquired new laptops for officials who are often required to work out of the office to do investigations</p> <p>Data-line upgrades were completed in the KwaZulu-Natal and Western Cape Regional Offices</p> <p>Engaged in disaster recovery planning in order to prepare for the smooth recovery of key information technology systems and infrastructure in case of a disaster</p>

Key services	Clients	Current standard	Actual achievement against standards
Recruitment and retention of competent staff to ensure service delivery in the OPSC	Appointment beneficiaries/appointees Programme managers	Recruitment and selection done in accordance with the Recruitment and Selection Policy	<p>Compiled a Human Resource Plan Implementation Report for the 2010/11 financial year which emanated from the Human Resource Plan covering the period 2008 - 2012 and it was submitted to the Department of Public Service and Administration</p> <p>Vacant posts were filled timeously during the 2010/11 financial year. A 2% decline was experienced in the filling of posts at SMS level as a result of the resignation and transfer of two female SMS members. Females represented 39% of the total staff compliment of SMS members. The number of female employees fell from 127 in March 2010 to 116 in March 2011. As a result of the ill-health retirement of one employee with a disability, the PSC currently employs four people with disabilities. This translates to 1.8% of the total staff compliment</p>

**Table 1.2 - Consultation arrangements with customers**

Type of arrangement	Actual customers	Potential customers	Actual achievements
Meetings with stakeholders to explain PSC and discuss their expectations of PSC	The Executive Departments Legislatures Public servants Complainants	Consultative forums Institutions of democracy Organised labour Strategic partners Public	<p>A roundtable discussion on the SOPS Report was held in Pretoria</p> <p>Interim M&amp;E findings were presented to top management of departments</p>
Extensive engagement on terms of reference of projects, and conclusion of project on findings and recommendations	Executives Legislatures Departments	Executives Legislatures Departments	The PSC has engaged with various stakeholders including the Portfolio Committees of the different departments evaluated during the 2010/11 financial year
<p>Guidelines widely distributed to all stakeholders</p> <p>Continuous formal and informal engagement of all stakeholders by the OPSC to ensure smooth implementation of the HoD Evaluation Framework</p>	The Executive Departments Legislatures HoDs	The Executive Departments Legislatures HoDs	<p>Guidelines for the Evaluation of HoDs for the 2009/10 financial year were published in October 2010</p> <p>A Cabinet Memo on improving the implementation of the HoD Evaluation Process was produced</p>

Type of arrangement	Actual customers	Potential customers	Actual achievements
Meeting with departments on grievance procedures and promotion of sound labour relations to ensure adherence to applicable prescripts	Departments	Organised labour Labour relations forum HoDs	Bilateral meetings were held with departments to inform them about the grievance procedures

**Table 1.3 - Service delivery access strategy**

Access strategy	Actual achievements
<p>Departments are encouraged to ensure that an internal process up to the level of EA is exhausted before grievances are referred to the PSC</p> <p>Labour has been continuously advised on the importance of compliance with the grievance rules to ascertain that grievances are resolved in the shortest possible period. However, if there are delays even after referral of grievances back to departments, the PSC cautions the HoD about the powers to summons anyone and invokes these powers where necessary</p> <p>If the aggrieved remains dissatisfied and requests the EA to refer the matter to the PSC, the PSC should consider such grievances</p>	<p>The PSC received 572 grievances, of these 141 cases were lodged directly by the aggrieved in terms of Rule F. 11 of the Grievance Rules as opposed to referrals which are normally done by the EA in terms of section 35 (3) of the Public Service Act</p> <p>Three HoDs were summonsed in respect of outstanding cases. All properly referred grievances were investigated and appropriate recommendations were made</p>
Telephonic or written requests addressed to the PSC at its Office in Pretoria (head office) and regional offices. Reports and other published material are accessible to all stakeholders through a variety of media, e.g. print and internet and distributed to relevant stakeholders	Published reports were tabled in Parliament and Provincial Legislatures in accordance with Section 196(4)(e) of the Constitution, 1996. Selected PSC reports were also publicised through the media thereby reaching a wider audience
Depending on the capacity of the Office, the PSC undertakes projects on request	During the period under review, the PSC continued to undertake <i>ad hoc</i> projects/investigations on request after extensive engagement on the terms of reference. At the end of each investigation, the findings were submitted to the relevant EAs for consideration. Upon receipt of comments by the EA, the final report with findings and recommendations was forwarded to the relevant EA for further comments. The PSC also monitored the implementation of recommendations
Reports are presented to Legislatures' Portfolio Committees at their behest	PSC reports were presented at various Parliamentary Portfolio Committees. Likewise, requests of Portfolio Committees for presentations were always met in spite of capacity challenges experienced during the period under review
Letters are written to all EAs outlining the process and advising them on what steps to take in complying with the requirements of the HoD Evaluation Framework. Continuous telephone contact with departments to ensure the smooth implementation of the Framework	Letters were sent to all EAs and HoDs advising them on the requirements of the HoD Evaluation Framework and reminding them about the requirements to submit the PAs of HoDs. Telephone and e-mail communication also took place with relevant officials in the various departments to assist them in running the process
Members of the public are able to report suspected acts of corruption in the Public Service through the National Anti-Corruption Hotline	Since its inception in September 2004, 7 439 cases of alleged corruption have been reported

**Table 1.4 - Service information tool**

Types of information tool	Actual achievements
In order to ensure wider accessibility, PSC reports are distributed to stakeholders	All PSC reports were distributed in accordance with the distribution strategy. All published reports were placed on the PSC website ( <a href="http://www.psc.gov.za">www.psc.gov.za</a> ) for easy access. Furthermore, hard copies were distributed to stakeholders outside government

**Table 1.5 - Complaints mechanism**

Complaints mechanism	Actual achievements
All complaints are recorded and responded to within the allocated time frames	Complaints with substance, including anonymous ones, were either referred to the relevant institutions (such as the Independent Complaints Directorate, the Auditor-General, the Human Rights Commission) or investigated within set targets in accordance with the Protocol for Conducting Public Administration Investigations by the PSC. Terms of reference and project proposals contained strict time frames. The Protocol Document on the Conducting of Public Administration Investigations was reviewed with the view to expedite the finalisation of complaints. The PSC also held several workshops to further expedite the finalisation of complaints
Complaints from the public are referred to the Public Protector	Given the overlap in the powers and functions of the PSC and the Public Protector (PP), as well as the optimal utilisation of resources, these institutions have entered into a Memorandum of Understanding (MoU) with regard to the handling of complaints. According to the MoU, the PSC shall investigate complaints by public servants whilst complaints emanating from the general public are referred to the PP for investigation. The complainants, where their identities are revealed, are informed of the referral of their complaints to the PP. Discussions were held between the PSC and the PP to refine the MoU
The Guidelines contain a grievance mechanism for HoDs not satisfied with the process or its outcomes	The Grievance Rules for SMS members including HoDs were submitted to the Department of Public Service and Administration for inclusion in the SMS Handbook. Pending the inclusion of the Grievance Rules, the PSC has not considered any grievances of HoDs

## 4.2 EXPENDITURE

The following tables summarise final audited expenditure on personnel costs per programme (Table 2.1) and salary band (Table 2.2).

**Table 2.1 - Personnel costs by programme, 2010/2011**

Programme	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services (R'000)	Total expenditure (R'000)	Average personnel cost per employee (R'000)
1. Programme 1	38 992	911	1 456	41 359	419
2. Programme 2	17 969	0	12	17 981	418
3. Programme 3	17 535	0	11	17 546	418
4. Programme 4	17 814	0	2 617	20 431	424
Theft and losses	0	0	0	0	0
<b>TOTAL</b>	<b>92 310</b>	<b>911</b>	<b>4 096</b>	<b>97 317</b>	<b>423</b>

**Table 2.2 - Personnel costs by salary band, 2010/2011**

Salary band	Personnel expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Total personnel expenditure	Number of employees
Skilled (Levels 3-5)	7 438	8	161	92 310	46
Highly skilled production (Levels 6-8)	9 761	10.6	203	92 310	48
Highly skilled supervision (Levels 9-12)	34 885	37.8	447	92 310	78
Senior management (Levels 13-16)	40 226	43.6	874	92 310	46
<b>TOTAL</b>	<b>92 310</b>	<b>100</b>	<b>423</b>	<b>92 310</b>	<b>218</b>

The following tables provide a summary of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance per programme (Table 2.3) and salary band (Table 2.4). An indication of the percentage of the personnel budget used for these items is provided in the tables.

**Table 2.3 - Salaries, overtime, home owners allowance and medical assistance by programme, 2010/2011**

Programme	Salaries		Overtime		Home owners allowance (HOA)		Medical assistance		Total personnel cost (R'000)
	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 a % of personnel cost	
Programme 1	25 256	64.8	438	1	964	2.5	1 102	2.8	38 992
Programme 2	12 050	67.1	0	0	405	1	544	3	17 969
Programme 3	11 715	66.8	0	0	374	2	542	3.1	17 535
Programme 4	11 804	66.3	0	0	247	1.4	452	2.5	17 814
<b>TOTAL</b>	<b>60 825</b>	<b>65.9</b>	<b>438</b>	<b>0.5</b>	<b>1 990</b>	<b>2.2</b>	<b>2 640</b>	<b>2.9</b>	<b>92 310</b>

**Table 2.4 - Salaries, overtime, home owners allowance and medical assistance by salary band, 2010/2011**

Salary band	Salaries		Overtime		Home owners allowance		Medical assistance		Total personnel cost (R'000)
	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 a % of personnel cost	
Lower skilled (Levels 1-2)	0	0	0	0	0	0	0	0	0
Skilled (Levels 3-5)	4 670	5	320	0.3	308	0.3	575	0.6	7 438
Highly skilled production (Levels 6-8)	5 912	6	64	0.06	279	0.3	547	0.5	9 761
Highly skilled supervision (Levels 9-12)	24 113	26	54	0.05	453	0.4	970	1	34 885
Senior management (Levels 13-16)	26 130	28	0	0	950	1	548	0.5	40 226
<b>TOTAL</b>	<b>60 825</b>	<b>65</b>	<b>438</b>	<b>0.5</b>	<b>1 990</b>	<b>2.2</b>	<b>2 640</b>	<b>2.9</b>	<b>92 310</b>

### 4.3 EMPLOYMENT AND VACANCIES

The following tables provide the employment statistics and vacancy rate in the organisation as per programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). The vacancy rate reflects the percentage of posts that are not filled.

**Table 3.1 - Employment and vacancies by programme, 31 March 2011**

Programme	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
1. Programme 1	109	91	16.5	0
2. Programme 2	46	43	6.5	0
3. Programme 3	47	42	10.6	0
4. Programme 4	46	42	8.7	0
<b>TOTAL</b>	<b>248</b>	<b>218</b>	<b>12.1</b>	<b>0</b>

**Table 3.2 - Employment and vacancies by salary band, 31 March 2011**

Salary band	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5) Permanent	53	46	13.2	0
Skilled (Levels 3-5) Temporary	0	0	0	0
Highly skilled production (Levels 6-8)	55	48	12.7	0
Highly skilled supervision (Levels 9-12)	82	78	4.8	0
Senior management (Levels 13-16) Permanent	58	46	20.6	0
<b>TOTAL</b>	<b>248</b>	<b>218</b>	<b>12.1</b>	<b>0</b>

**Table 3.3 - Employment and vacancies by critical occupation, 31 March 2011**

Critical occupation	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Administrative related, Permanent	4	3	25	0
Cleaner, Permanent	1	1	0	0
Switchboard operator, Permanent	1	1	0	0
Communication and information related, Permanent	2	1	50	0



Critical occupation	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Finance and economics related, Permanent	1	1	0	0
Financial and related professionals, Permanent	8	5	37.5	0
Financial clerks, Permanent	5	4	20	0
Head of Department	1	1	0	0
Human resources & organisation dev related, Permanent	30	28	6.6	0
Human resources clerks, Permanent	8	8	0	0
Human resources related, Permanent	43	42	2.3	0
Information technology, Permanent	1	1	0	0
Other communication related, Permanent	0	0	0	0
Library related personnel, Permanent	6	6	0	0
Driver, Permanent	1	1	0	0
Logistical support personnel, Permanent	6	5	16.6	0
Material recording and transport clerks, Permanent	4	4	0	0
Messengers, Permanent	1	1	0	0
Other administrative and related clerks, Permanent	2	2	0	0
Other administrative policy and related officers, Permanent	0	0	0	0
Other information technology personnel, Permanent	7	7	0	0
Others occupations, Permanent	0	0	0	0
Chairperson: PSC	1	0	100	0
Deputy Chairperson: PSC	1	1	0	0
Member: PSC	12	7	41.6	0
Secretaries, Permanent	48	40	16.6	0
Security officers, Permanent	11	11	0	0
Senior managers, Permanent	43	37	13.9	0
<b>TOTAL</b>	<b>248</b>	<b>218</b>	<b>12.1</b>	<b>0</b>

## 4.4 JOB EVALUATION

The Public Service Regulations, 2001, introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, EAs may evaluate or re-evaluate any job in their organisation. Furthermore, in terms of these Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled.

The following table (Table 4.1) summarises the number of jobs that were evaluated and subsequently upgraded or downgraded, while Table 4.2 summarises the number of employees whose salary positions were upgraded due to their posts being upgraded.

**Table 4.1 - Job evaluation, 1 April 2010 to 31 March 2011**

Salary band	Number of posts	Number of jobs evaluated	% of posts evaluated by salary band	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	53	1	1.8	0	0	0	0
Highly skilled production (Levels 6-8)	55	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	82	0	0	0	0	0	0
Senior Management Service Band A	32	2	6.2	0	0	0	0
Senior Management Service Band B	7	0	0	0	0	0	0
Senior Management Service Band C	16	0	0	0	0	0	0
Senior Management Service Band D	3	0	0	0	0	0	0
<b>TOTAL</b>	<b>248</b>	<b>3</b>	<b>1.2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 4.2 - Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2010 to 31 March 2011**

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>
<b>Employees with disabilities</b>					<b>0</b>

Table 4.3 indicates the number of employees whose salaries exceeded the grades determined by job evaluation in the reporting period.

**Table 4.3**

<b>Total number of employees whose salaries exceeded the grades determined by job evaluation in 2010/2011</b>	<b>None</b>
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Table 4.4 indicates the beneficiaries of the above in terms of race, gender and disability.

**Table 4.4 – Profile of employees whose salary levels exceed the grade determined by job evaluation, 1 April 2010 to 31 March 2011 (in terms of PSR 1.V.C.3)**

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>

<b>Employees with disabilities</b>	<b>0</b>
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## 4.5 EMPLOYMENT CHANGES

This section provides information on the annual turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2).

**Table 5.1 - Annual turnover rates by salary band for the period 1 April 2010 to 31 March 2011**

Salary band	Number of employees per band as on 31 March 2011	Appointments and transfers to the PSC	Terminations and transfers from the PSC	Turnover rate
Skilled (Levels 3-5) Permanent	46	5	5	10.8
Highly skilled production (Levels 6-8) Permanent	48	5	8	16.6
Highly skilled supervision (Levels 9-12) Permanent	78	6	8	10.2
Senior Management Service Band A Permanent	28	0	1	3.5
Senior Management Service Band B Permanent	6	0	1	16.6
Senior Management Service Band C Permanent	10	1	3	30
Senior Management Service Band D	2	0	1	50
<b>TOTAL</b>	<b>218</b>	<b>17</b>	<b>27</b>	<b>12.3</b>

**Table 5.2 - Annual turnover rates by critical occupation for the period 1 April 2010 to 31 March 2011**

Occupation	Number of employees per occupation as on 31 March 2011	Appointments and transfers to the PSC	Terminations and transfers from the PSC	Turnover rate
Administrative related, Permanent	3	0	1	33.3
Cleaner, Permanent	1	0	0	0
Switchboard operator, Permanent	1	0	0	0
Communication and information related, Permanent	6	0	1	16.6
Finance and economics related, Permanent	1	0	0	0
Financial and related professionals, Permanent	5	1	4	80
Financial clerks, Permanent	4	1	1	25
Human resources & organisation dev related, Permanent	28	3	3	10.7
Human resources clerks, Permanent	8	2	0	0
Messenger	1	1	0	0
Human resources related, Permanent	42	3	4	9.5
Library related personnel, Permanent	1	0	0	0
Logistical support personnel, Permanent	5	2	1	20
Material recording and transport clerks, Permanent	4	0	1	25
Driver	1	0	0	0
Other administrative and related clerks, Permanent	2	0	0	0
Information technology, Permanent	1	0	0	0
Other administrative policy and related officers, Permanent	0	0	0	0
Other information technology personnel, Permanent	7	0	0	0
Secretaries, Permanent	40	3	5	12.5
Security officers, Permanent	11	0	0	0
Senior managers, Permanent	37	0	2	5.4
Head of Department	1	0	0	0
Chairperson: PSC	0	0	1	100
Deputy Chairperson: PSC	1	0	0	0
Member: PSC	7	1	3	42.8
<b>TOTAL</b>	<b>218</b>	<b>17</b>	<b>27</b>	<b>12.3</b>

Table 5.3 identifies the major reasons why staff left the organisation.

**Table 5.3 - Reasons why staff are leaving the OPSC**

Termination type	Number	% of total	% of total employment
Death	2	16.7	0.9
Resignation, Permanent	6	50	2.7
Expiry of contract, Permanent	1	8.3	0.4
Retirement	2	16.7	0.9
Ill-health Retirement	1	8.3	0.4
Other, Permanent	0	0	0
<b>TOTAL</b>	<b>12</b>	<b>100</b>	<b>5.5</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 progressions as a % of employees by occupation
Administrative related	3	0	0	3	100
Cleaner	1	0	0	1	100
Switchboard operator	1	0	0	1	100
Communication and information related	1	0	0	1	100
Finance and economics related	1	0	0	1	100
Financial and related professionals	5	2	40	3	60
Financial clerks	4	0	0	4	100
Head of Department & DDG's	4	0	0	2	50
Human resources & organisation dev related	28	0	0	25	89.2
Human resources clerks	8	0	0	5	62.5
Human resources related	42	6	14.2	33	78.5
Library related personnel	6	0	0	2	33.3
Logistical support personnel	5	0	0	5	100
Material recording and transport clerks	4	0	0	1	25
Driver	1	0	0	1	100
Other administrative and related clerks	2	0	0	1	50
Information technology, Permanent	1	0	0	1	100

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 progressions as a % of employees by occupation
Other administrative policy and related officers	0	0	0	0	0
Other information technology personnel	7	0	0	7	100
Secretaries	40	2	5	31	77.5
Security officers	11	0	0	9	81.8
Senior managers	34	4	11.7	31	91.1
Chairperson: PSC	0	0	0	0	0
Deputy Chairperson: PSC	1	0	0	0	0
Member: PSC	7	0	0	0	0
Messenger	1	0	0	0	0
<b>TOTAL</b>	<b>218</b>	<b>14</b>	<b>6.4</b>	<b>168</b>	<b>77</b>

**Table 5.5 - Promotions by salary band**

Salary band	Employees as at 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
Lower skilled (Levels 1-2) Temporary	0	0	0	0	0
Skilled (Levels 3-5)	46	0	0	41	89.1
Highly skilled production (Levels 6-8)	48	4	8.3	34	70.8
Highly skilled supervision (Levels 9-12)	78	6	7.6	60	76.9
Senior management (Levels 13-16)	46	4	8.6	33	71.7
<b>TOTAL</b>	<b>218</b>	<b>14</b>	<b>6.4</b>	<b>168</b>	<b>77</b>

**Table 5.6 - Granting of employee severance packages for the period 1 April 2010 to 31 March 2011**

Category	No of applications received	No of applications referred to the MPSA	No of applications supported by the MPSA	No of packages approved by the PSC
Lower Skilled (Salary Level 1-2)	0	0	0	0

Category	No of applications received	No of applications referred to the MPSA	No of applications supported by the MPSA	No of packages approved by the PSC
Skilled (Salary Level 3-5)	0	0	0	0
Highly Skilled production (Salary Level 6-8)	0	0	0	0
Highly Skilled production (Salary Level 9-12)	0	0	0	0
Senior Management (Salary Level 13-16)	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 4.6 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 2011**

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior managers	22	2	2	2	11	2	1	4	46
Middle managers	29	2	0	8	31	2	2	4	78
Administrative/clerks	16	0	1	1	25	1	3	1	48
Service and sales workers, Permanent	16	1	0	0	25	4	0	0	46
Elementary occupations	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>83</b>	<b>5</b>	<b>3</b>	<b>11</b>	<b>92</b>	<b>9</b>	<b>6</b>	<b>9</b>	<b>218</b>

<b>Employees with disabilities</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>4</b>
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**Table 6.2 - Total number of employees (including employees with disabilities) in each of the following occupational band as on 31 March 2011**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	7	0	1	0	3	1	0	0	12
Senior management	15	2	1	2	8	1	1	4	34
Professionally qualified and experienced specialists and middle management	29	2	0	8	31	2	2	4	78

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	16	0	1	1	25	1	3	1	48
Semi-skilled and discretionary decision making	16	1	0	0	25	4	0	0	46
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>83</b>	<b>5</b>	<b>3</b>	<b>11</b>	<b>92</b>	<b>9</b>	<b>6</b>	<b>9</b>	<b>218</b>

<b>Employees with disabilities</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>4</b>
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**Table 6.3 - Recruitment for the period 1 April 2010 to 31 March 2011**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	1	0	0	0	0	1
Senior management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and middle management	3	0	0	2	1	0	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	1	0	1	0	1	0	5
Semi-skilled and discretionary decision making	1	0	0	0	4	0	0	0	5
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>6</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>6</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>17</b>

<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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**Table 6.4 - Promotions for the period 1 April 2010 to 31 March 2011**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (15-16)	1	0	0	0	0	0	0	0	1



Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior management (13-14)	0	0	0	0	2	1	0	0	3
Professionally qualified and experienced specialists and middle management (9-12)	4	0	0	0	2	0	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors (7-8)	2	0	0	0	0	0	0	0	2
Semi-skilled and discretionary decision making (4-6)	1	0	0	0	1	0	0	0	2
Unskilled and defined decision making (1-3)	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>14</b>

<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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**Table 6.5 - Terminations for the period 1 April 2010 to 31 March 2011**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	2	0	0	1	1	0	0	0	4
Senior management	0	0	0	0	2	0	0	0	2
Professionally qualified and experienced specialists and mid-management	3	1	0	0	3	0	0	1	8
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	4	0	0	2	8
Semi-skilled and discretionary decision making	0	0	0	0	4	1	0	0	5
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>14</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>27</b>

<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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**Table 6.6 - Disciplinary action for the period 1 April 2010 to 31 March 2011**

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

**Table 6.7 - Skills development for the period 1 April 2010 to 31 March 2011**

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior officials and managers (13-16)	10	1	1	1	8	0	1	3	25
Professionally qualified and experienced specialists and middle management (9-12)	19	2	0	3	26	0	2	3	55
Skilled technical, junior management and supervisors (7-8)	5	0	0	0	7	1	1	0	14
Semi-skilled workers (4-6)	8	0	0	0	0	0	0	0	8
Elementary occupations (1-3)	4	0	0	0	5	0	0	0	9
<b>TOTAL</b>	<b>46</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>46</b>	<b>1</b>	<b>4</b>	<b>6</b>	<b>111</b>

<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
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## 4.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

**Table 7.1 – Signing of performance agreements by SMS members as on 30 September 2010**

SMS level	Total number of funded SMS posts per level	Total number of SMS members per level	Total number of signed performance agreements per level	Signed performance agreements as % of total number of SMS members per level
Director-General / Head of Department	1	1	1	100
Salary level 16, but not HoD	2*	2	0	0
Salary level 15	16**	11	2	50
Salary level 14	7	6	6	100
Salary level 13	32	30	30	100
<b>Total</b>	<b>58</b>	<b>50</b>	<b>39</b>	<b>78</b>

\* Denotes posts of Commissioner who are not required to sign Performance Agreements.

\*\* Included in the 16 posts are 12 posts of Commissioner who are not required to sign Performance Agreements.

**Table 7.2 – Reasons for not having concluded performance agreements for all SMS members as on 30 September 2010**

1. Not applicable as all performance agreements were concluded by 1 May 2010.

**Table 7.3 – Disciplinary steps taken against SMS members for not having concluded performance agreements on 30 September 2010**

1. Not applicable as all performance agreements were concluded by 1 May 2010.

## 4.8 FILLING OF SMS POSTS

**Table 8.1 – SMS posts information as on 31 March 2011**

SMS level	Total number of funded SMS posts per level	Total number of SMS posts filled per level	% of SMS posts filled per level	Total number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General / Head of Department	1	1	100	0	0
Salary level 16, but not HoD	2	1	50	1	50
Salary level 15	16	10	62.5	6	37.5
Salary level 14	7	6	85.7	1	14.2
Salary level 13	32	28	87.5	4	12.5
<b>Total</b>	<b>58</b>	<b>46</b>	<b>79.3</b>	<b>12</b>	<b>20.6</b>

**Table 8.2 – SMS posts information as on 30 September 2010**

SMS level	Total number of funded SMS posts per level	Total number of SMS posts filled per level	% of SMS posts filled per level	Total number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General / Head of Department	1	1	100	0	0
Salary level 16, but not HoD	2*	2	100	0	0
Salary level 15	16**	11	68.7	5	31.2
Salary level 14	7	6	85.7	1	14.2
Salary level 13	32	30	93.7	2	6.2
<b>Total</b>	<b>58</b>	<b>50</b>	<b>86.2</b>	<b>8</b>	<b>13.7</b>

\* Denotes posts of Commissioner.

\*\* Included in the 16 posts are 12 posts of Commissioner, of which 3 were vacant.

**Table 8.3 – Advertising and filling of SMS posts as on 31 March 2011**

SMS level	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months after becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General / Head of Department	0	0	0
Salary level 16, but not HoD	0	0	1*
Salary level 15	2	0	7*
Salary level 14	2	0	1
Salary level 13	5	0	0
<b>Total</b>	<b>9</b>	<b>0</b>	<b>9</b>

\* Of which 5 Commissioner posts were vacant.

**Table 8.4 – Reasons for not having complied with the filling of funded vacant SMS posts – advertised within 6 months and filled within 12 months after becoming vacant**

Reasons for vacancies not advertised within six months
1. Not applicable.
Reasons for vacancies not filled within 12 months
1. Commissioner posts are advertised by the National and Provincial Legislature.

**Table 8.5 – Disciplinary steps taken for not complying with the prescribed timeframes for filling of SMS posts within 12 months**

1. All SMS posts were filled within 12 months.
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## 4.9 PERFORMANCE REWARDS

The organisation has granted the following performance rewards during the year under review in its effort to encourage good performance. The information is categorised in terms of race, gender and disability (Table 9.1), salary band (Table 9.2) and critical occupations (Table 9.3).

**Table 9.1 - Performance rewards by race, gender and disability, 1 April 2010 to 31 March 2011**

	Beneficiary profile				
	Number of beneficiaries	Total number of employees in group	% of total within salary bands	Total cost (R'000)	Average cost per employee (R)
<b>African</b>					
Male	30	82	36.5	419	13 967
Female	38	91	41.7	584	15 370
<b>Asian</b>					
Male	1	3	33.3	36	36 000

	Beneficiary profile				
	Number of beneficiaries	Total number of employees in group	% of total within salary bands	Total cost (R'000)	Average cost per employee (R)
Female	2	6	33.3	50	25 000
<b>Coloured</b>					
Male	2	5	40	42	21 000
Female	5	8	62.5	93	18 600
<b>White</b>					
Male	4	10	40	107	26 750
Female	8	9	88.8	210	26 250
Employees with a disability	2	4	50	41	20 500
<b>TOTAL</b>	<b>92</b>	<b>218</b>	<b>42.2</b>	<b>1 582</b>	<b>17 200</b>

**Table 9.2 - Performance rewards by salary band for personnel below SMS, 1 April 2010 to 31 March 2011**

Salary band	Beneficiary profile				
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee (R)
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled (Levels 3-5)	30	46	65	216	7 200
Highly skilled production (Levels 6-8)	26	48	54	359	13 808
Highly skilled supervision (Levels 9-12)	29	78	37	727	25 069
<b>TOTAL</b>	<b>85</b>	<b>172</b>	<b>49</b>	<b>1 302</b>	<b>15 318</b>

**Table 9.3 - Performance rewards by critical occupation, 1 April 2010 to 31 March 2011**

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee (R)
Senior managers	7	46	15.2	280	40 000
Professionally qualified and experienced specialists and middle management	29	78	37	727	25 069
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	26	48	54	359	13 808

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee (R)
Semi-skilled and discretionary decision making	30	46	65	216	7 200
Unskilled and defined decision making	0	0	0	0	0
<b>TOTAL</b>	<b>92</b>	<b>218</b>	<b>42.2</b>	<b>1 582</b>	<b>17 200</b>

**Table 9.4 - Performance related rewards (cash bonus), by salary band for SMS**

Salary band	Beneficiary profile			Total cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	6	28	21.4	240	40 000	0.2
Band B	1	6	16.6	40	40 000	0.04
Band C	0	10	0	0	0	0
Band D	0	2	0	0	0	0
<b>TOTAL</b>	<b>7</b>	<b>46</b>	<b>15.2</b>	<b>280</b>	<b>40 000</b>	<b>0.3</b>

## 4.10 FOREIGN WORKERS

The tables below summarise the employment of foreign nationals in the organisation in terms of salary band and by major occupation.

**Table 10.1 - Foreign workers, 1 April 2010 to 31 March 2011, by salary band**

Salary band	1 April 2010		31 March 2011		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
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>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 10.2 - Foreign worker, 1 April 2010 to 31 March 2011, by major occupation**

Major occupation	1 April 2010		31 March 2011		Change	
	Number	% of total	Number	% of total	Number	% change
Professionals and managers	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 4.11 LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2010 TO 31 DECEMBER 2010

The PSC identified the need for careful monitoring of sick leave within the Public Service. The following tables provide an indication of the use of sick leave (Table 11.1) and disability leave (Table 11.2). In both cases, the estimated cost of the leave is also provided.

**Table 11.1 - Sick leave, 1 January 2010 to 31 December 2010**

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)	Total number of days with medical certification
Lower skilled (Levels 1-2)	90.5	34.3	20	9.2	5	11	31
Skilled (Levels 3-5)	380	78.2	43	19.8	9	114	297
Highly skilled production (Levels 6-8)	447	74	49	22.6	9	240	331
Highly skilled supervision (Levels 9-12)	529	77.1	68	31.3	8	773	408
Senior management (Levels 13-16)	338	87.9	37	17.1	9	992	297
<b>TOTAL</b>	<b>1 784.5</b>	<b>76.4</b>	<b>217</b>	<b>100</b>	<b>8</b>	<b>2 130</b>	<b>1 364</b>

**Table 11.2 - Disability leave (temporary and permanent), 1 January 2010 to 31 December 2010**

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)	Total number of days with medical certification
Skilled (Levels 3-5)	88	100	1	33.3	88	26	88
Highly skilled production (Levels 6-8)	87	100	1	33.3	87	67	87
Highly skilled supervision (Levels 9-12)	6	100	1	33.3	6	6	6

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)	Total number of days with medical certification
Senior management (Levels 13-16)	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>181</b>	<b>100</b>	<b>3</b>	<b>100</b>	<b>60</b>	<b>99</b>	<b>181</b>

Table 11.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000, requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

**Table 11.3 - Annual leave, 1 January 2010 to 31 December 2010**

Salary band	Total days taken	Average per employee	Employment
Lower skilled (Levels 1-2)	351.76	14	0
Skilled (Levels 3-5)	962	19	46
Highly skilled production (Levels 6-8)	1 158	21	48
Highly skilled supervision (Levels 9-12)	1 874	22	78
Senior management (Levels 13-16)	1 131	22	46
<b>TOTAL</b>	<b>5 476.76</b>	<b>20</b>	<b>218</b>

**Table 11.4 - Capped leave, 1 January 2010 to 31 December 2010**

Salary band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2010	Total number of capped leave available at 31 December 2010	Number of employees as at 31 December 2010
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled (Levels 3-5)	1	1	36	249	7
Highly skilled production (Levels 6-8)	1	1	29	552	19
Highly skilled supervision (Levels 9-12)	27	9	50	1 798	36
Senior management (Levels 13-16)	8	4	76	2 207	29
<b>TOTAL</b>	<b>37</b>	<b>5</b>	<b>53</b>	<b>4 806</b>	<b>91</b>



Table 11.5 summarises payments made to employees as a result of leave that was not taken.

**Table 11.5 - Leave payouts for the period 1 April 2010 to 31 March 2011**

Reason	Total amount (R'000)	Number of employees	Average payment per employee (R)
Capped leave payouts on termination of service for 2010/2011	193	28	6 893
Current leave payout on termination of service for 2010/2011	130	27	4 815
<b>TOTAL</b>	<b>323</b>	<b>55</b>	<b>5 873</b>

## 4.12 HIV/AIDS AND HEALTH PROMOTION PROGRAMMES

**Table 12.1 - Steps taken to reduce the risk of occupational exposure**

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	0	Key steps taken to reduce the risk	None
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**Table 12.2 - Details of Health Promotion and HIV/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.5 (c) of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position	√		Mr HA Maluleke Director: Human Resource Management and Development
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	√		21 Employment Equity Consultative Forum Members
3. Has the department introduced an Employee Wellness Programme for your employees? If so, indicate the key elements/services of this Programme	√		The programme aims to: <ul style="list-style-type: none"> <li>• Encourage and assist employees to overcome personal problems affecting their work performance negatively</li> <li>• Provide an effective framework for wellness promotion and preventative services</li> <li>• In so far as it is possible to provide a reasonable, confidential and professional counselling service to all employees and their immediate families within the context of issues affecting the employee in order to enhance and sustain the quality of life</li> </ul>

Question	Yes	No	Details, if yes
			<ul style="list-style-type: none"> <li>Enhance performance and maintain high productivity levels of all employees</li> <li>Establish a working relationship with other departments and stakeholders who are involved in employee wellness</li> <li>Prevent unnecessary absenteeism and low productivity caused by social, physical and psychological factors</li> <li>Allow supervisors to manage their human resources in an objective and consistent manner</li> </ul>
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	√		<p>Mr JD Kgoedi – Chairperson  Ms TG Moeeng – Deputy Chairperson  Mr HA Maluleke – HR Representative  Ms AM Molotsane – Gauteng  Mr MF Dolamo – Mpumalanga  Ms SS Masilo – Head Office  Mr MO Makgari – Northern Cape  Ms TD Makuya – Adviser  Ms LC Qithi – Free State  Mr TG Diale – Head Office  Ms DN Shazi – Head Office  Ms NS Sithole – KwaZulu-Natal  Ms T Dibetle – Secretariat  Ms N Fumazele – Eastern Cape  Mr AR Chauke – Limpopo  Mr CM Malebana – Head Office  Ms ME Mogano – People with Disabilities  Ms MV Slier – Western Cape  Ms Y Bloem – North West  Ms MD Seshoka – Head Office  Ms NA Kelengeshe – Head Office</p>
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	√		<ol style="list-style-type: none"> <li>HIV/AIDS and Employee Wellness Programme (EWP) Policies</li> <li>Recruitment and Selection Policy</li> </ol>
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	√		<p>HIV/AIDS and EWP Policies  Contracted Independent Counselling and Advisory Service (ICAS) as a service provider</p>
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing (VCT)? If so, list the results that you have achieved	√		<p>Employees are encouraged to use facilities offered by ICAS</p>

Question	Yes	No	Details, if yes
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators	√		HIV/AIDS Programme in place Employee Wellness Programmes in place Quarterly reports from ICAS received Smoking Policy in place and being implemented Health Risk Assessment and VCT conducted Draft Management of Substance Abuse Policy compiled

### 4.13 LABOUR RELATIONS

The following collective agreements were entered into with trade unions within the organisation.

**Table 13.1 - Collective agreements, 1 April 2010 to 31 March 2011**

<b>Total collective agreements</b>	<b>0</b>
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

**Table 13.2 - Misconduct and disciplinary hearings finalised, 1 April 2010 to 31 March 2011**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>

**Table 13.3 - Types of misconduct addressed at disciplinary hearings**

Type of misconduct	Number	% of total
Misrepresentation	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>

**Table 13.4 - Grievances lodged for the period 1 April 2010 to 31 March 2011**

	Number	% of total
Number of grievances resolved	1	50
Number of grievances not resolved	1	50
<b>TOTAL</b>	<b>2</b>	<b>100</b>

**Table 13.5 - Disputes lodged with Councils for the period 1 April 2010 to 31 March 2011**

	Number	% of total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>

**Table 13.6 - Strike actions for the period 1 April 2010 to 31 March 2011**

Total number of person working days lost	13.25
Total cost (R'000) of working days lost	11
Amount (R'000) recovered as a result of no work no pay	11

**Table 13.7 - Precautionary suspensions for the period 1 April 2010 to 31 March 2011**

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost (R'000) of suspensions	0

## 4.14 SKILLS DEVELOPMENT

This section highlights the efforts of the organisation with regard to skills development.

**Table 14.1 - Training needs identified for the period 1 April 2010 to 31 March 2011**

Occupational categories	Gender	Number of employees as at 1 April 2011	Training needs identified at start of reporting period			
			Learner-ships identified	Skills programmes & other short courses	Other forms of training	Total
Chairperson	Female	0	0	0	0	0
	Male	0	0	0	0	0
Deputy Chairperson	Female	1	0	0	0	0
	Male	0	0	0	0	0
Commissioners	Female	2	0	0	0	0
	Male	4	0	0	0	0

Occupational categories	Gender	Number of employees as at 1 April 2011	Training needs identified at start of reporting period			
			Learner-ships identified	Skills programmes & other short courses	Other forms of training	Total
Director-General	Female	0	0	0	0	0
	Male	1	0	0	0	0
Deputy Director-General	Female	1	0	0	0	0
	Male	2	0	0	0	0
Chief Directors	Female	4	0	3	0	1
	Male	2	0	3	0	3
Directors	Female	10	0	16	0	16
	Male	18	0	12	0	12
Deputy Directors	Female	20	0	20	0	20
	Male	24	0	36	0	36
Assistant Directors	Female	15	0	18	0	18
	Male	19	0	19	0	19
Senior/State Accountants	Female	1	0	7	0	7
	Male	2	0	0	0	0
Accounting Clerk	Female	2	0	3	0	3
	Male	2	0	5	0	5
Chief Personnel Officer	Female	0	0	0	0	0
	Male	1	0	1	0	1
Principal Personnel Officer	Female	1	0	1	0	1
	Male	1	0	4	0	4
Personnel Officer	Female	1	0	8	0	8
	Male	3	0	5	0	5
Provisioning Administration Officer	Female	0	0	0	0	0
	Male	2	0	1	0	1
Provisioning Administration Clerk	Female	2	0	0	0	0
	Male	1	0	3	0	3
Document Clerk	Female	0	0	3	0	3
	Male	0	0	0	0	0
Communication Officer	Female	1	0	0	0	0
	Male	0	0	2	0	2
Registry Clerk	Female	2	0	2	0	2
	Male	1	0	0	0	0

Occupational categories	Gender	Number of employees as at 1 April 2011	Training needs identified at start of reporting period			
			Learner-ships identified	Skills programmes & other short courses	Other forms of training	Total
Administrative Secretary	Female	38	0	37	0	37
	Male	2	0	1	0	1
Telecom Operator	Female	1	1	1	0	2
	Male	0	0	0	0	0
Library Assistant	Female	1	0	3	0	3
	Male	0	0	0	0	0
Administration Clerk	Female	0	0	0	0	0
	Male	1	0	3	0	3
General Aid	Female	1	0	11	0	11
	Male	1	0	3	0	3
Typist	Female	0	0	0	0	0
	Male	0	0	0	0	0
Cleaner	Female	0	0	1	0	1
	Male	1	0	1	0	1
State Administration Officer	Female	4	0	4	0	4
	Male	1	0	2	0	2
Administration Officer	Female	2	0	8	0	8
	Male	0	0	5	0	5
Assistant Administration Officer	Female	0	0	0	0	0
	Male	0	0	0	0	0
Messenger	Female	0	0	0	0	0
	Male	2	0	2	0	2
Chief Accounting Clerk	Female	1	0	0	0	0
	Male	0	0	0	0	0
Human Resource Practitioners	Female	3	0	7	0	7
	Male	1	0	1	0	1
PC Specialist	Female	1	0	0	0	0
	Male	1	0	0	0	0
Security Administration/ Security Officer	Female	1	0	4	0	4
	Male	9	0	4	0	4

Occupational categories	Gender	Number of employees as at 1 April 2011	Training needs identified at start of reporting period			
			Learner-ships identified	Skills programmes & other short courses	Other forms of training	Total
<b>Sub Total</b>	<b>Female</b>	<b>116</b>	<b>1</b>	<b>196</b>	<b>0</b>	<b>197</b>
	<b>Male</b>	<b>102</b>	<b>0</b>	<b>113</b>	<b>0</b>	<b>113</b>
<b>TOTAL</b>		<b>218</b>	<b>1</b>	<b>309</b>	<b>0</b>	<b>310</b>

**Table 14.2 - Training provided for the period 1 April 2010 to 31 March 2011**

Occupational categories	Gender	Number of employees as at 1 April 2010	Training provided within the reporting period			
			Learner-ships	Skills programmes & other short courses	Other forms of training	Total
Senior officials and managers	Female	18	0	12	0	12
	Male	28	0	13	0	13
Technicians and associate professionals	Female	39	0	31	0	31
	Male	39	0	24	0	24
Administrative/Clerks	Female	30	2	7	0	9
	Male	18	0	5	0	5
Service and sales workers	Female	29	0	5	0	5
	Male	17	0	4	0	4
Elementary occupations	Female	0	5	0	0	5
	Male	0	3	1	0	4
<b>Sub Total</b>	<b>Female</b>	<b>116</b>	<b>7</b>	<b>55</b>	<b>0</b>	<b>62</b>
	<b>Male</b>	<b>102</b>	<b>3</b>	<b>47</b>	<b>0</b>	<b>50</b>
<b>TOTAL</b>		<b>218</b>	<b>10</b>	<b>102</b>	<b>0</b>	<b>112</b>

## 4.15 INJURY ON DUTY

The following tables provide basic information on injury on duty.

**Table 15.1 - Injury on duty, 1 April 2010 to 31 March 2011**

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	100
Temporary total disablement	0	0

Nature of injury on duty	Number	% of total
Permanent disablement	0	0
Fatal	0	0
<b>TOTAL</b>	<b>1</b>	<b>100</b>

## 4.16 UTILISATION OF CONSULTANTS

**Table 16.1 - Report on consultant appointments using appropriated (voted) funds**

Project title	Total number of consultants that worked on the project	Duration: work days	Contract value in Rand
PSC Strategic Planning Session	2	12	R100 548.00
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration: work days</b>	<b>Total contract value in Rand</b>
<b>1</b>	<b>2</b>	<b>12</b>	<b>R100 548.00</b>

**Table 16.2 - 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 worked on the project
PSC Strategic Planning Session	100	100	2

**Table 16.3 - Report on consultant appointments using donor funds**

Project title	Total number of consultants that worked on the project	Duration: work days	Donor and contract value in Rand
Citizen Satisfaction Survey based on the drivers of citizen satisfaction	5	47	GTZ 1 610 000.00
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration: work days</b>	<b>Total contract value in Rand</b>
<b>1</b>	<b>5</b>	<b>47</b>	<b>1 610 000.00</b>

**Table 16.4 - Analysis of consultant appointments using donor funds, in terms of HDIs**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that worked on the project
Citizen Satisfaction Survey based on the drivers of citizen satisfaction	100%	100%	5







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